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The Nation's Business

Conservatives Seek Wrong Type of Leader
Macdonald's Imperialism
Theorists Represent Canada at Conference
Robb Won the Votes
Coolidge the Silent

CONSERVATIVE politicians, completely demoralized, are looking for a national leader. They are meeting next week to select one, but their views as to the type of man they regard as suitable are not encouraging to supporters of the party throughout the Dominion.

The Liberals, or the King-wing-Liberals, are sailing this week to discuss Empire problems at London. Fortunately, they will have Hon. P. C. Larkin with them, but the absence of Dunning and Malcolm, if only as observers and advisors is most unfortunate. Mr. King has never been in sympathy with or understood business problems. This is the comment made by industrials who have read his theories in "Industry and Humanity."

The Conservatives are still speaking of and looking for an experienced parliamentarian, which we presume means a good debater. They believe a nation is governed by and thrives on oratory, and can hold office simply by placating or buying this section or that. The King Liberals think the big problem of Empire revolves about some constitutional technique. They are not, we fear, going to have much time for practical problems.

* * *

CANADA is looking for national unity, drastic economies, heavy cuts in taxes and policies that will lay the foundations for real prosperity, and the country will support leaders with a record of capacity for doing these things.

It was not King, with his long, tiresome talks on the constitution, they voted for, but Robb—the man of few words and much common sense, with his budget and promise of further tax reduction.

The most successful political leader in the world to-day is Coolidge, the Silent. The ablest constructive administrator Canada ever had was Macdonald. Sir John used to say that he had taken Sir George Foster into the government to do his talking. Sir John did the thinking and planning, not the talking, nor did he belong to the intellectuals. He lived close to the people. He had vision and imagination and a capacity for turning them into action. He brought into being this great Dominion and left behind him definite plans for a greater Empire. He used to spend his vacations quietly at Riviere du Loup. For hours, on his little verandah, he would sit with eyes half-closed, chair leaning back against the house, dreaming and working out the future for Canada and the Empire. This, he thought our greatest problem. He left us 36 years ago, but since then with the exception of Laurier, his successors have done little. He left a loyal prosperous, united, growing Dominion. To-day, we have disunity, sectionalism and doubts of the future. Sir John, having organized the Dominion had Empire development as his next objective. That was to be brought about by preferential trade, and Laurier made the first move in that direction. Sir John believed this should be on a give and take basis, and Laurier was criticised, even by Mr. Fielding and members of his cabinet, for saying in England in 1897 that Canadian preference was a free gift to the Mother Country. It would look now as if Laurier saw further than we gave him credit for at that time. His policy brought quick action. Germany, after the big bluff—which never worked with Disraeli, but always brought Salisbury to his knees—came, hat in hand to Canada and, finally, in 1911, came the United States with reciprocity proposals, fearing, as President Taft said, the further extension of British-Canadian preferences.

Was Laurier's idea in his seeming encouragement of Taft just a play, and his real object an attempt to arouse Britain's industrialists to the Empire opportunities her orators and intellectuals were letting pass?

* * *

COULD the modern Conservatives and Liberals do better than study and be guided at this time by the policies and activities of their two great leaders? On page 3 in this issue we print Sir John Macdonald's views of how Canada and the Empire should be developed. His policies showed that Sir Wilfrid was working toward exactly the same ends, but menaced always by the mesmeric talker, Bourassa. The latter, ignorant of or indifferent to business developments, revelled in the thrills that came to him from the play of his oratory upon the prejudices of his trusting audiences. Now, a strong supporter of Mr. King, but still feared by the Laurier Liberals, he has, it is said, gone to England in advance of the Prime Minister and will be an active worker on the outside at the Imperial Conference. This makes all

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Point About Tax on Charges Should be Definitely Settled

Business and Financial Community Can See No Justification for Principle of Taxing Dividends Not Received

Investors generally, as well as brokers and bankers, have once again been aroused against legislation which permits the levying of income tax on the carrying charges of stocks or bonds. As stated in The Financial Post of last week, W. S. Stout, president of the Canadian Pacific Express Co., has appealed against the ruling of the Toronto Court of Revision and is taking his case before the county judge. Under the Ontario act, municipalities claim the right to assess for income tax purposes on the full amount of dividends without allowing any deduction for carrying charges if the stocks are held on margin. The unanimous concensus of opinion among business men marks this method of taxation as not only unsound but decidedly unfair.

Quite apart from the outcome of the Stout case, the presence of a statute such as this is of interest to every investor and tax-payer whether large or small. Mr. Stout, who received only a net return of $1,372 from his broker, has been assessed for the total amount of dividends, which amounted to nearly $21,000. If an individual invests his capital in a stock by an outright purchase of the shares of the company his name is added to the list of shareholders and he automatically becomes liable to income tax for the total amount of dividends paid to him from time to time. However, on a purchase of stock on margin, where the purchaser only holds a very small equity in the stock, the transaction is done on the broker's books and the name of the purchaser remains unknown. The Dominion Government at Ottawa recognizes the reasonableness of the contention that carrying charges should be exempt, and provides for this in the statutes. Doubtless many investors have been quite unaware of this wide difference in principle between the provincial and the Dominion legislation.

The case for the municipal act is further weakened, it is contended, by the fact that since 1919 the carrying charges on Dominion of Canada War Loans and other similar issues are exempt from assessment for municipal income tax.

The reason that this question has not received the publicity it deserves is easy to find. In the first place there is the fact that holders of marginal stocks are unknown to the government, and even if they are assessed, on small amounts of $100 or $200 the costs of litigation would as a rule far outweigh any relief that a man might receive on appeal to the courts even if he were successful. Furthermore, unless the matter is one involving over $40,000, there is no appeal above the county judge except on a point of law.

A question being asked is why the statute has remained on the legislative books of the province. In 1918 the Massey-Harris Co. appealed to courts because it was being taxed on income from Victory Bonds. The money to purchase the bonds had been taken from the surplus fund of the company and in spite of the fact that the transaction actually lost money for the firm, it was assessed for the income from the bonds. The company lost the case, but a few months later, the act was raised which permitted the exemption of carrying charges on Victory Bonds and War issues. In 1922, Mr. Hill, a member of the Ontario House, introduced an amendment to the Assessment Act which contained a clause providing for the exemption of carrying charges on stocks and bonds. This bill never passed the municipal committee, composed as it was largely of rural members.

Year after year municipal authori-

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HARVESTING AGAIN IS IN FULL SWING ON THE PRAIRIES

Saskatchewan Crop Better Than Expected Early in the Season

WINNIPEG. — The cold, murky weather of the latter part of September has given way to clear skies and good drying weather and harvesting operations on the Prairies are on in full force. There is a general call for harvest help. Government employment offices are being flooded with requests for men, but unfortunately the supply is not over ample, as many of the eastern harvesters have gone back after waiting two or three weeks for the weather to clear up. However, there are no indications of any serious shortage of labor, and Government authorities feel that the demand will be met.

At the present time, it is safe to say that about seventy per cent. of the grain crop has been threshed. Many districts reported threshing completed early last month, but these were only few in number. The southern districts were affected the most by unfavorable weather, and it is in those areas that the greatest activity is now taking place.

Two weeks of good weather is thought to be all that will be necessary for the completion of threshing. Returns received to date indicate that while there will be a substantial reduction in weight and in quality of grains, the situation is not as bad as was thought a few weeks ago. When harvesting operations first commenced in the West, Saskatchewan was expected to have a very light crop. Since then there has been an about-face in the outlook. Manitoba and Alberta have suffered recessions, while the prospects in Saskatchewan are considerably improved. The result is that Saskatchewan will have a greater outturn than seemed possible

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Rise of Shawinigan Shares Based on Many Sound Factors

Not Connected With Loewenstein's Activities, But There Are Other Interesting Possibilities Such as Quebec Power, Laurentide or Duke-Price

From Our Own Correspondent.

MONTREAL.—The recent strength in the shares of the Shawinigan Water and Power Company and the Quebec Power Company has naturally been productive of all sorts of rumors. One of these, which is absolutely without foundation, indicates that Sir Herbert Holt, working in conjunction with the Belgian financier, Alfred Loewenstein, is attempting to bring about a merger of all the power properties in the province of Quebec. The Financial Post learns from an authoritative source that such rumors are without foundation, and that Alfred Loewenstein will have no finger in any future power consolidations or mergers which might occur in that province.

However, investors with a knowledge of the Shawinigan Water and Power Company and its component companies are but little surprised at the present strength in the stock, for they have known for a long time the many factors which make Shawinigan shares attractive.

Why it is Attractive

The Shawinigan Water and Power Company is to split its stock—this seems fairly obvious. However, no definite announcement has been made as to when it will occur. Then, there is the close association of Shawinigan with the Duke-Price Power Company which many investors believe will ultimately lead to the entire acquisition by Shawinigan of the big Saguenay plant. At present, Shawinigan owns 20 per cent. of the stock of Duke-Price Power Company, and the Aluminum Company of America owns 53 per cent. Perhaps, the Aluminum Company's interests would be equally well served should it sell its holdings to Shawinigan, and at the same time obtain long term leases sufficient for its needs.

Then, the company is to develop the Carillon Falls power site on the Ottawa River. This development will prove an exceptional asset, as it is understood that the Ontario Hydro Electric Power Commission will probably purchase in the neighborhood of 100,000 horsepower from the plant and thus a proportion of the annual revenues will come from a governmental source.

Some investors feel also that there is the possibility of a closer association between Shawinigan and the Laurentide Power Company—prob-

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U.S.A. BUSINESS DEMANDING MORE TAX REDUCTIONS

See These as Great Stimulus to Greater Business Prosperity

POLITICS ENTERS IN

With Presidential Campaign Holding Off Tax Cuts, May Be Nothing Done This Year

By FLOYD S. CHALMERS,
Managing Editor, The Financial Post.

WASHINGTON. — American business men are convinced that the one outstanding reason why this country has continued to roll forward on a wave of prosperity, for a longer period than any previous favorable business cycle, has been the stimulus of tax reduction. Each year, as business has shown some signs of reaction, the potent combination of the two master minds of the government, Coolidge and Mellon, has brought forward further reductions in national expenditure and public taxes and has given business new hope and new spirit. Now, the manufacturers of the country want another dose of this never-failing elixir of life and they are laying plans to formulate a powerful public opinion in favor of further tax reductions, to support the government's hand if it brings down the necessary measures—to free it, if it does not.

To speak of forcing the Coolidge-Mellon combination to reduce taxes seems anomalous, considering their record in this respect to date. But the indications are that there will be no further tax cuts in the United States during the coming year, unless they are forced.

The fly in the ointment is the 1928 Presidential Campaign. Canada has found it impossible to divorce politics and tax reduction and it does not take much scouting around Washington to learn that there is a little bit of politics in the matter over here, too.

In 1928, Mr. Coolidge goes back to the country, hoping to be re-elected for a second full term; really for the third term, giving him the longest occupancy of the White House ever granted to any man. He wants to go back—or rather Mr. Coolidge and the rest of the Republicans want to go back, on their record, and the chief fact in that record is the Republican achievements in economy and tax reduction. But the public are forgetful. The administration, to put it more bluntly than it is being put over here, is afraid that in 1928 the people may have forgotten the tax reductions of 1924, 1925 and 1926. And so they are laying plans to give the public further tax cuts in the session of Congress that meets in December. 1927, and winds up just in nice time to fight the 1928 presidential campaign.

That such tax cuts can be given—could be given right now — is thoroughly believed in Washington, It is generally suspected that the present fiscal year of the United States government, which ends June 30 next, will show a surplus of between $375,000,000 and $400,000,000, an enormous sum even for the United States. The surplus has been achieved in various ways. First, the income tax has brought in more money, even with the lower rates in force. Second, the customs tariff has added to the revenues, and third, there have been unexpected receipts from European sources. Mr. Mellon has not taken the public into his confidence regarding this anticipated surplus, but it is thought he has it up his sleeve. Republicans do not want its effect to be politically wasted. They want it to win the 1928 campaign for them.

Here the Democrats come in. They want to get a little kudos and a few votes out of this tax reduction business and so they are laying plans to embarrass the administration by introducing a tax reduction measure into the next session of Congress. This will be the "hang-over" session that is characteristic of American politics but which is impossible under the Canadian system. A new congress will be elected in November of this

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"Best Paper Mill in the World" Result of Ontario's Embargo

How Ontario and Canada are benefiting under the policy of the Ferguson government of restricting the cutting of pulpwood to the manufacture of paper within the province is again indicated in such developments as that now taking place at Kapuskasing. Backed by the New York Times, which thus insures a supply of newsprint, the old property once owned by the Spruce Falls Company is being developed into what was recently described by Siegfried Ochs. owner of the Times, as "the best newspaper mill in the world."

During a recent visit to Toronto, Mr. Ochs described the undertaking. The Kimberley-Clark Company of Wisconsin and the New York Times Company under a charter known as the Spruce Falls Power and Paper Company, Limited, are putting $25,000,000 into the new industry. Out of if they expect to get a daily production of 550 tons of newsprint and upward of 200 tons of sulphite and electric power for other purposes in connection with their project.

Throughout the enterprise preference will be given, all things being equal, to Canadian labor, machinery, materials, and other details. Upward of 5,000 people, Mr. Ochs estimates, will be employed by the industry. It is intended to make of Kapuskasing the model factory town of the continent. Plans for its development include the construction, among other things, of a splendid hospital and an employees' club building.

Quebec and Ontario in Accord in Development of Carillon Power Site

200,000 Citizens of U.S. Visit B.C.

NEW WESTMINSTER. — Close on 200,000 residents of the United States traveling in 57,052 automobiles visited British Columbia over Pacific Avenue and Douglas points of entry during the tourist season of 1926, extending from April 1 to September 30, according to figures issued by the customs authorities.

An increase of nearly 5,000 automobiles came north during the 1926 period over the corresponding period of last year. The figures are 1926, six months, 57,052 automobiles, 199,682 passengers; 1925, six months, 53,407 automobiles, 186,924 passengers

Taschereau and Ferguson Agree on "No Export" Policy

NOW A JOINT PROJECT

Big Private Power Interests of Montreal and the Ontario Hydro Electric Will Be Interested

From Our Own Correspondent.

MONTREAL. — The determination of Premier Taschereau of Quebec and of Premier Ferguson of Ontario to stand by a common policy of Canadian power for Canadian industry has brought the two provinces to a satisfactory understanding in regard to the vexed question of the development of the inter-provincial power site at Carillon. And not only have the provincial authorities come to a mutually satisfactory agreement, but the Ontario Hydro Electric commission is understood to be in complete accord with the development program. It is safe to say that the Shawinigan interests are satisfied with the plans and that active construction will begin shortly. The action of the federal government in cancelling the amended lease would seem to be merely a formality, in keeping with the cancellation of other contracts entered into by the previous administration, although it will not be entirely forgotten that there was at one time an evident willingness to encourage the development of this power for export to the United States.

The importance of this policy of conserving Canadian waterpowers for Canadian industry may be judged from the views of Herbert Hoover on this question expressed in an article appearing on page 17 of this issue.

Further information about the projected development on the Ottawa River is now available. However, none of the information which has been broadcast to date bears anything in the nature of an official imprimatur. The reasons for this lies in the fact that there are so many interests involved in the development of the power site.

Dominion Is Interested

In the first place, the federal government has an interest as the project is to be situated on one of

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RECEIVERSHIP FOR N.S. STEEL & COAL BRINGS PROBLEMS

Plan Not Without Disadvantages for the Bondholders

From Our Own Correspondent.

MONTREAL.—Some of the debenture holders and hondholders of the Nova Scotia Steel and Coal Company have expressed some doubt about the advisability of endeavoring to have the property placed in the hands of the receiver. In the first place, the fact has not been established as yet that the mortgage held by the bondholder covers the liquid as well as the fixed assets. Thus, should, the courts decide that the bondholder's mortgage covers only the fixed assets, and also decide to appoint a receiver, the position of the first mortgage bondholders will hardly be bettered as the receiver would immediately have to issue certificates ranking senior to the bonds in order to purchase coal and other raw materials.

Then again, the Nova Scotia Steel and Coal Company is busily engaged at the moment in filling many orders in the St. Lawrence valley and this activity will continue until the close of navigation. Some of the bondholders express the view that possibly it would be wise to take every precaution that any legislative proceedings should not interfere with the fulfilment of these various contracts.

Bondholders Protected Already

In other words, some of the first mortgage bondholders feel that if the company should be handed over to the receiver it would benefit them probably not at all, as the latter might issue certificates ranking senior to their holdings; furthermore, a receivership might jeopardize to some extent at least the operations of the company should it be found that the trust deed does not cover the liquid assets as well as the fixed assets.

The first mortgage bonds outstanding total just over $5,000,000, whilst there is just under $5,000,000 of debentures outstanding. Thus, some of the first mortgage bondholders who feel that they are amply secured as to assets and feel that perhaps, too, they are in a better position to negotiate in the final forthcoming reorganization of Besco than they might be should a receiver be appointed and issue notes ranking senior to the bonds.

In the meantime, the Besco re-organization proceeds but slowly and as yet the various protective committees have not been organized sufficiently to allow negotiations with the management to commence.

Machinery Trade Still Below Normal

While there has been some improvement this year in the business of the Canada Machinery Corporation, the volume of orders obtainable is still very much below the capacity of the company's plant and consequently operations are being carried on at a decided disadvantage from the standpoint of profits. This condition of affairs is further aggravated by keen competition resulting in very low prices and an unsatisfactory margin.

For the year ending January 31, last, the company about broke even before providing for depreciation, but there was no surplus available for dividends, and while it is expected that there will be a better showing for 1926, additional income will be required to absorb previous deficiencies. However, the company's financial statement indicates a sound position and a return to normal conditions in the industry should overcome inability to make profits. There is no reason why in the course of a couple of years earnings should not show material improvement.

Dominion Stores in September

Sales of Dominion Stores, Ltd., for the month of September attained a new high level. Montreal once more contributed the largest increase.

Rowntrees Purchase the Cowan Company

The Financial Post learns that negotiations have been completed whereby the Cowan Chocolate Company, one of Toronto's million dollar industries, passes into the control of the big English cocoa, chocolate and confectionery firm of Rowntree & Co. It is believed that a sum totalling a million and a half or more is involved in the transaction. The Cowan company has an annual turnover of about $2,000,000 and employs some four hundred hands. It has been very largely a family enterprise, control having until the present rested with the second generation of a family long identified with the chocolate business.

The British firm of Rowntree & Co. is known practically throughout the world. A couple of years ago Rowntree & Co., (Canada), Limited, was formed to establish a sales branch in this country and lay the foundation for a branch factory. It has now been decided more economically sound to secure control of a chief competitor rather than build a competing plant. It is expected that the Cowans will still be identified with the business.

The statement has been made that the proposed King preference on chocolate has been a factor in the decision of the Cowan Company.

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Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Business Improves on Better Crop Outlook
Manufacturing Operations on Good Scale
Wholesale and Retail Trade Continues Satisfactory
Active Demand for Lumber; Small Margin of Profit

GENERAL business activity throughout the country has shown further improvement during the past week, largely owing to the more favorable turn in the crop situation in the West. While it is generally recognized that the monetary returns to the farmer for this year's crop will be less, nevertheless, his purchasing power is expected to compare favorably with last year's. On this assumption, Western merchants are placing substantial orders for fall and winter goods, which in turn is reflected in industrial circles and in the improvement of the employment situation. On September 1st, the employment index number stood at 104.9, higher than at any other time this year. Further gains are expected during October and November, following the usual trend of the situation. Another indication of the improvement is seen in the weekly car loading returns. An occasional decrease has been registered lately due to the late movement of Western grain, but the greater volume of general merchandise freight carried has done much to maintain the high totals set this year.

Manufacturing operations continue on a good scale. Motor vehicle production at present is on a considerably higher level than at this time last year. Implement plants are also working well. Textile mills, rubber plants, etc., report a good volume of work on hand. The activity of these industries is reflected in the iron and steel output. For the first eight months of the current year, pig iron output being up 47 per cent., while the increase in steel ingots and castings amounts to 15 per cent. All the iron and steel plants are busy and there are inquiries for the first few months of 1927 coming in which indicate that demand will continue well during the winter months.

There is no change of any importance in the wholesale and retail trade, a majority of the larger centres reporting splendid demand for seasonable goods and the general situation quite satisfactory. The agent of one textile manufacturing plant states that his customers are placing substantial orders in advance and are in a number of cases increasing these orders within a few days after placing them. Cotton prices have been issued and buyers are now going ahead purchasing supplies.

Commodity prices did not show any definite tendency during September, what advances were registered were largely of a seasonable nature, which were more than offset by the steady fall in potatoes. The index number of wholesale prices remained unchanged as compared with the previous month. Beef, lard, bacon, fish, cheese, flour and potatoes fell slightly, while sugar, tea and eggs rose in price. Increased prices for lead and tin helped to put the index number of 20 manufacturers' commodities up to 156.0, as compared with 154.0 at the end of August. Cotton and silver were both very weak. During the coming months, a firmer tone in wholesale prices is expected.

Demand has been active from manufacturers of many kinds of goods using lumber as a by-product. Implement makers and furniture manufacturers have taken large quantities of hardwood. Despite the larger supplies required by wood-users, the industry has not benefited as much as was expected by this greater demand, owing to the high cost of production and keener competition, which has resulted in a very small margin of profit. An encouraging feature of the situation, however, is that stocks in the hands of manufacturers are small and, it is understood that operators will make an effort during the coming season to bring about a closer readjustment of production to consumption. Another possible outlet for surplus production is seen in the rehabilitation programme to be carried out at Miami and other Florida towns damaged by the recent hurricane. During the boom days of the south, Nova Scotia and New Brunswick supplied large quantities of lumber for that market.

The stock markets during the past week showed considerable strength, some notable advances being made in the power and paper groups. A bond issue of the Alberta government appeared on the New York market during the week. This money will be used for refunding and financing certain public works to be undertaken next year. The money market remains easy.

Agricultural Survey

Wheat Prospects Brighter
Export Demand for Grains Slow
Better Buying of Livestock and Dairy Products Looked for

WELL over half of the Western wheat crop has been threshed and reports lately received are more optimistic on the outlook for the yield and quality. While there will be a substantial shrinkage in weight and a reduction of grades, the damage will probably not be as great as was thought a couple of weeks back. A recent survey of the situation shows that at least one hundred and forty million bushels of wheat had been threshed before the unfavorable harvesting weather set in. Little work was done in the first half of September, but since then operations have got under way in practically every section of the Prairies and threshing should be completed by the end of October, provided that one or two weeks of good weather are experienced.

So far the greatest demand for the new crop comes from millers. Export demand has been rather desultory on account of the improved showing in the other wheat exporting countries. In the United States, the surplus wheat for export this year is expected to be greater than for some years. Present conditions of the wheat crop in Australia indicate that the Commonwealth will harvest 140,000,000 bushels. The crop for last year was 116.000 000 bushels. Argentina will probably not have as large an exportable surplus as she had last year, owing to the fact that the area sown to wheat is less than for 1924-25, while growing conditions to date have not been altogether favorable. Early in the season it was stated that Russia would enter the export trade this year, but so far no data are available as to the quantity she will have for export. India will probably have a wheat yield that will measure up to last year's, as recent reports indicate that the new crops are coming along nicely under favorable weather conditions and there are no further complaints of excessive moisture.

The favorable possibility of greater supplies of wheat has reacted on market prices, and during the past week quotations on the Winnipeg Grain Exchange showed considerable fluctuation. Cash prices for No. 1 Northern are holding up well, having stood at \$1.42⅛ on October 2nd, which compares with the same figures a week ago. October and May options fell off a few cents, closing at \$1.40⅛ and 1.40¼ respectively. Wheat inspections are increasing in volume and while not up to the corresponding figures for last year, are indicative of the general increase in harvesting operations.

While the domestic market for dairy products continues to hold up fairly well, there is room for further improvement in the export situation. It is quite likely that this end of the dairy business will pick up very shortly, in view of recent despatches from London that the coal strike, to all intents and purposes, had collapsed. With the miners at work once again and the consequent increase in the buying power of this class of labor, the large stocks of dairy produce on hand in the English warehouses should be readily disposed of. During the period of the strike, the miners were forced to give up buying butter and substitute it with cheese, which is considerably cheaper from the point of food value.

Much the same situation exists in the market for livestock and livestock products. Exports of live cattle have fallen off in the past few months and while there is a good demand from English farmers for feeder stock, the market there does not compensate them for the time and expense involved in bringing the cattle up to the market standard. The demand from English consumers for Canadian packing products such as bacon, pork, etc., should also be stimulated.

The market for tender and tree fruits appears to hold out good prospects for Canadian growers this year. Apples are moving in good volume to England from both Nova Scotia and British Columbia. The Ontario Government will endeavor to market part of their apple crop in England this year and to this end have sent a representative to the Old Country to arrange for marketing. There should be a good market in England for Canadian apples this year, as the yield will be considerably less than last year. Kent County, which is the most important apple producing region in England, is reported to have a crop of 20 per cent. or less. The domestic demand for tender fruits is satisfactory.

MARKET FOR B.C. IN SOUTH AMERICA

Demand for Fruit and Dairy Produce, But Ocean Rates a Handicap

VANCOUVER. — South America offers a market for many products of British Columbia, and so long as this demand exists—and there is every indication of it increasing rather than decreasing—there is no reason for an unsaleable surplus of apples, eggs, tinned fruits, tinned milk or butter, according to Major J. R. McColl, Canadian Trade Commissioner to Argentine, who has been visiting here.

Alberta butter is already being sold in large volume on the west coast of South America, according to Mr. McColl, a shipment having so satisfied the market that the Californian product is threatened with being driven out of the territory. The Associated Growers of British Columbia have arranged, on the recommendation of Mr. McColl, to send a trial shipment of apples to South America and this will be followed by advertising to the end that a permanent market of some importance may be established there.

The most vital problem that Western Canada has to face is transportation insofar as the South American market is concerned. Under present conditions the steamship line operating between this port and that market is controlled by the Grace Line, which is owned in the United States and quotes a higher rate on shipments out of Vancouver than on those from the United States ports.

Were this situation remedied, it is stated that British Columbia could work up a profitable trade with South American markets in such commodities as lumber, pulp and paper, canned salmon, roofing paper and cement. It is possible to ship these products from here in large quantities were transportation facilities satisfactory. British Columbia trade interests are hopeful of overcoming this discrimination in rates and in the near future establish a market of some importance in South American countries.

Employment Situation Improves Over Canada

With the exception of Quebec, all provinces in Canada report a continued increase in employment at the beginning of September, the Maritimes showing the largest gains. This is the first time since the beginning of the year that Quebec has reported a decline, brought about owing to a slackness in iron and steel plants which discounted important increases in pulp and paper mills.

The index number at the beginning of September standing at 104.9, continued to be higher than in any month since 1920 and if employment follows the trend usually indicated during the autumn, further gains may be expected.

Activity in the Maritimes was distributed among manufacturing, mining and construction groups. In British Columbia the increase was very marked in manufacturing, especially of food, lumber, pulp and paper products and also transportation. In the Prairie Provinces, coal mining, building, highway construction and transportation made pronounced gains, while Ontario showed a good improvement in nearly every group.

Taking the situation by cities, Montreal reported a decline due to curtailment of work in railway shops, and Ottawa showed a decrease due to a falling off in construction work. Toronto, Hamilton and Winnipeg made substantial gains, owing to greater activity in manufacturing. In Quebec, Windsor and Vancouver the situation remained practically unchanged.

Automobile Production Increased 73 Per Cent.

Automobile production in Canada during August shows an increase of 73 per cent. over the output for the same month a year ago. Bearing out the recent trend of the industry, the greatest increase was in the production of the closed passenger models, which increased 140 per cent. over last year, making the aggregate total for the year to date, 75 per cent. above the output in 1925. The number of open passenger models manufactured increased from 3,700 to 5,100, bringing the cumulative total for the year up to 55,499, as against 50,800 last year. As compared with July, the August production of units shows only a very slight increase, with passenger car output slightly lower for the month.

Cumulative production for the year now stands at 155,000 units, or 35 per cent. above the 114,000 made during the corresponding period of last year and the selling price of cars made, based on f. o. b. plant prices, was about \$21,000,000 above the selling prices of cars produced in the first eight months of 1925.

During August, Canada imported 3,083 and exported 3,080 units, so that the apparent domestic consumption was 15,264, as against 5,950 in the corresponding month of last year. For the year to date the apparent consumption totalled 131,985, as compared with 80,607 in the same period a year ago.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loadings, week Sept. 25		
Year to date	75,454	76,169— 0.9%
Merchandise shipped, year to date	2,234,702	2,015,268+ 10%
Building permits—August (63 cities)	616,522	579,368+ 6%
Construction contracts awarded, September	11,874,552	9,511,008+ 24%
Railway Earnings—Eight Months—	20,760,600	29,746,000— 30%
C.P.R. gross		
C.P.R. net	118,456,380	105,765,016+ 12%
C.N.R. gross	22,183,198	15,368,302+ 44%
C.N.R. net	165,783,341	146,661,997+ 13%
Pig Iron Output—tons, August	20,829,074	8,385,691+148%
Steel Ingot production, August tonnage	58,780	26,513
8 months to August 31	45,674	25,007
Employment—September index	541,705	471,175+ 15%
Newsprint production—August tonnage	104.9	96.6
Automobiles produced—(Seven months to July 31)	162,545	120,656+ 34%
Immigration, 6 months to June 30	140,086	105,687+ 32%
Business failures—No. of firms, July	70,253	43,241+ 63%
Liabilities, July	137	131
Imports of key commodities, 12 mos. ending August 30—	2,352,078	2,312,913+ 1%
Rubber (raw, in pounds)		
Cotton (in pounds)	46,189,124	38,893,355+ 19%
Crude petroleum (in gallons)	135,273,867	112,347,584+ 20%
Exports of key commodities (12 mos. end. Aug. 30—	601,312,867	499,059,190+ 20%
Canned salmon, lbs.		
Newsprint, cwt. (12 mos. end. Aug. 30)	637,386	770,055— 17%
Wheat flour, bbls. (12 mos. end. Aug. 30)	32,384,966	26,314,055+ 23%
Wheat, bushels (12 mos. end. Aug. 30)	10,671,368	10,228,177+ 4%
Grain receipts, Aug. 1 to Sept. 24	269,761,912	154,110,268+ 75%
Bank clearings, September	25,400,696	38,312,881+ 33%
Savings deposits, July (chartered banks)	1,381,459,868	1,328,776,934+ 4%
Current loans, July (chartered banks)	1,329,909,816	1,255,005,214+ 6%
Exports, 12 months to August 31	941,501,878	881,263,805+ 7%
Imports, 12 months to August 31	1,323,180,712	1,130,753,557+ 17%
Balance of trade, 12 months to August 31	976,886,332	837,787,939+ 16%
Price level, August index, 236 commodities	346,294,380	292,965,618+ 18%
Cattle—Good, Toronto, Oct. 4	153.9	158.9
Wheat, No. 1, Nor. Winnipeg, Oct. 4	\$7.75	Oct. (Aver.) \$6.97
Pig iron (Number 1 foundry) Sept.	1.40	Oct. (Aver.) \$1.27
Hogs—Select, Toronto, Oct. 4	\$24.80	Sept. (Aver.) \$27.25
Bond sales, September	\$11.25	Oct. (Aver.) \$12.68
Life Insurance Sales, seven months	\$55,483,924	\$165,145,772
	268,918,000	244,764,000+ 8%

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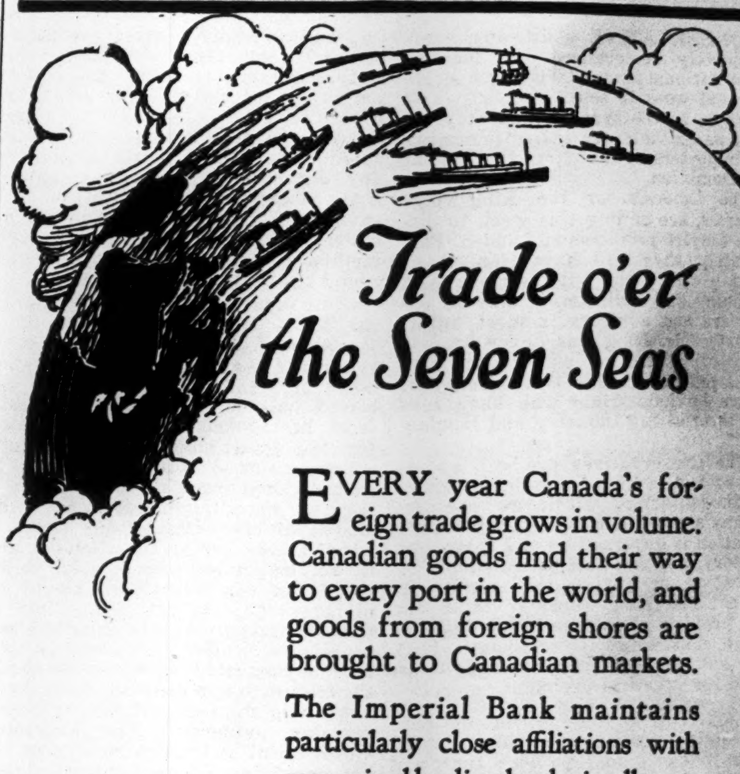

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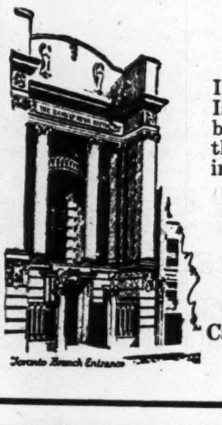

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Canadian Pacific Railway Company
Department Colonization and Development.
J. S. DENNIS, Chief Commissioner. Windsor Station, Montreal, Can.

Macdonald's Vision of Empire

Views of That Far-sighted Statesman on Canada's National Future Which Should be a Guide to Those Now Considering Imperial Problems

In December, 1885, Sir John Macdonald, who was staying at Batt's Hotel, London, consented to be interviewed on the subject of federation. Before publication, however, he wrote that there were at the time reasons of public policy why the interview should be kept back. Whatever reasons of policy Sir John had for delaying this statement on a subject so very near his heart, those reasons he would not have wished to survive him, and we think that to friends and adversaries alike this presentation of his economic policy, corrected as it was by his own hand, will come now as a legacy of much interest:

"This question of federation of England and her colonies," said Sir John, "is the largest political problem of the day—a problem not hard to resolve on paper, but, in view of the great variety of interests involved and the real difficulty attending all practical legislation in these times, the course of its event may probably be slow."

"But is it practicable at all?" "Why not? It has been found practicable to federate the mighty bulk of Canada. The federation which has secured a political connection between Canadian settlements on the Atlantic and Canadian settlements on the distant Pacific, in advance of all railway and even telegraphic connections, appears to me to be at least as difficult an operation as the still larger federation you now suggest. If you in England are as much in earnest as we were in 1866, you will find a way."

"What are the preliminaries?" "Well, it would, I suppose, be necessary to convene a council of the empire in London, and if the effort had a happy issue, that council should remain in permanent session, its members selected by the colonies for a term of years. For only a few years, however; the requirements of public policy in the colonies are subject to rapid changes and adaptations, so that permanent representatives would lose touch of their absent constituents. As Lord Grey has recently pointed out, the deliberations of such a council would be of the greatest possible value, not more politically than commercially."

"The connection would, Sir John, I suppose, greatly increase our effective strength from a military standpoint?" "Pardon me if I interrupt you, but I have always felt strongly that the developments we are discussing will never be effected by the pressure of military considerations. It will be, when it comes, an entirely peaceful development, its raison d'etre that trade follows the flag. Of course, all must pay their share of the expense of national defence, but the earnest of the combination is an earnest of peace, not war. We colonists will pay for an insurance policy in case of fire, and, like a careful insurance company, we will maintain a fire brigade of increasing efficiency. But the real basis of union will be a commercial basis, and when you have constructed a sound foundation based upon increased trading facilities, the heavier part of your task will have been completed."

"What does it appear to you are the commercial requirements of the federation?" "It would seem that a policy of give and take is needed, and this will involve the entire question of what is known in England as free trade. I may say at once that if you are determined in England to accept all the postulates of political economy, then as far as the colonies are concerned we cannot throw in our lot with you.

Sir John's "National Policy"

"I am largely responsible," continued Sir John, "for the national policy in Canada, a policy that has been, and perhaps still is, severely criticized on this side the water—a policy of indirect taxation—of revenue raised by tariff. There is nothing to show that this policy has in any respect failed of its intention: indeed, high as party feeling runs in Canada, even the Opposition has ceased to attack the protective policy, or, as both parties have agreed to call it, the National Policy of the Government. Our policy has been to protect such industries as are capable of unlimited expansion, and to admit such raw material free as cannot be produced at home. When we commenced to tax cotton and woollen goods we were assured that the consumer would be ruined by high prices, and what has been the result? Both our cotton and woollen manufacturers are increasingly prosperous, and we are able to buy those goods more cheaply than when we were importing freely; the wages paid in the mills are higher, while all prices are lower than before. Formerly our industries were at the mercy of the manufacturers of the United States, who recognized that our mills, once closed, were not likely to reopen, and that it was therefore prudent and profitable to sell their goods in Canada for a short time even at a loss, in order, by closing our mills, to control our markets at their own prices later. This was actually being done; we found that the executive of the Cotton Spinners' Association of the United States were selling their goods in Canada at less than cost price, and were collecting the amount of that loss by levying an assessment on their association!"

"But, Sir John, as a theory at least, you admit the correctness of the free trade principle?"—"Were I a professor, I should say 'Yes'; but the luxury permitted to the professor who contemplates the 'Wealth of Nations' is often denied to those whose first concern is the well-being of a particular nation; it may be quite true that the wealth of the world will be increased if labor not protected at home is encouraged, nay forced, to migrate freely to those regions where the cost of production is lowest. That is to say, assuming that the soil of Minnesota is more fertile than the average soil of Canada, it would increase the wealth of the world if the entire population of Canada were to migrate to Minnesota and Dakota. On the other hand, Manitoba is, no doubt, more fertile than Minnesota; but the Minnesota farmer remains a tax-paying citizen of the United States because, if he migrated to our side of the line, he would find his farm produce excluded by tariff from the markets of the union.

American Influences

"You must remember," continued Sir John, "that across our southern boundary is a mighty nation which fosters its industries by a most jealous system of protection; they offer to our people all the attractions of a common language, a common history, and an immense free market area; if, then, we are to keep our population from flowing away from Canada, it can only be done by protecting our industries. The statement that exports are the result of imports is one that sounds well in an after-dinner speech, but is not true. As a matter of fact, our exports from Canada are stimulated by the loans we have raised in England for railway construction and other purposes, and the interest on which we pay by exports of produce. The obverse of this is true of England; her imports do not largely depend on her exports, but upon the amount of money she has loaned to foreign nations, the interest of which is paid largely by imports of foreign produce. As for example, suppose that the late Mr. Vanderbilt had bought the Isle of Wight, had preferred to live there and spend his income of, say, 2,000,000 sterling on articles of luxury or necessity brought from London. Would it not be very incorrect to say that the Isle of Wight paid for these imports by her exports? The imports would actually be paid for by the earnings of his American railways; and it is to-day vast accumulations invested abroad that are responsible for the volume of English imports.

Needs for Protection

"I see no reason why, if the great mechanical developments that have marked the last twenty years continue for the next twenty, America may not annually have a surplus to dispose of, so large and so cheap, that your leading industries may be undersold even in your home market, and your operative classes forced abroad. In the case I previously mentioned, of cottons sold in Canada at a loss, what other results could this have produced, if we had continued to permit it, than that our skilled operatives must have migrated to Rhode Island or Massachusetts?"

"Does it appear to you, Sir John, that the circumstances favor some departure from our free trade system?"—"It would not be easy for me to discuss that point; but I may say that I have always supposed that with each extension of the franchise a pressure from below would be exerted in that direction. We see a distinct movement on the continent of Europe in the direction of increased tariff taxation. Prince Bismarck, whose intelligence is national and not merely political, evidently recognizes that military exigencies require the manhood of Germany to be kept at home, not forced abroad; and not only so, but that the agricultural industries must be fostered, because should the land be thrown out of cultivation and the peasantry forced into the towns the physique of the German race will suffer."

"What, then, is the fiscal policy which would bring about the federation of the empire?" "I have touched upon the question of the tariff in order to suggest that the basis of federation must be such advantages given to the colonies as you do not give to aliens. It seems to me that England must directly encourage the growth of her colonies. In short, she must attract their custom. She must give a preference to their commodities by taxing, however slightly, the produce of the outer world. Nor would this necessarily imply any increase of price to the consumer here. For example, if England notified the United States and Russia that five years hence a tax of five shillings a quarter would be imposed on wheat imported from those countries, the effect would be to encourage the growth of wheat in the colonies and India, and to divert to some extent the tide of English emigration from the United States to Canada and Australasia. No doubt also, were this done, many farmers would migrate from Dakota into that vast fertile district which the construction of the Canadian Pacific railway has now brought within reach of the markets of Europe. The mere cost of production of wheat is even lower in the Red River area of our Dominion than in Dakota, only the emigrant from the old world requires a market inducement to colonize that region—the emigrant, in short, requires from you what he obtains in the United States—a market preference.

Empire Trade Relations

"We in Canada want your emigrants, and are you not equally concerned that your surplus population should go to your colonies rather than to the United States? Look at the Board of Trade returns; the annual consumption of English goods in the United States is 8s. per capita, but in Canada it is 40s., and in Australia more than £8; the interest, then, that England has in giving her bone and sinew to her colonies rather than to America is at 160 is to 8! Your manufacturers are groaning about the contraction of the market for their goods, but it really seems that all you require to stimulate consumption is to stimulate colonial expansion by favoring tariffs."

"Is there any real movement in the United States towards free trade?" "It does not seem so; some slight adjustments of tariff there will, no doubt, be; the incidence of a tariff framed during the excitement of the civil war, and never carefully revised, will require, no doubt, certain modifications; but the American workingman, employed at high wages in a country where the necessaries of life the extremely cheap, will never be reconciled to the presence of free imports produced by the labor of alien communities where the standard of living is much lower.

"I have in this conversation carefully kept out of sight the more sentimental aspects of federation — the greatness of an empire such as ours, circling the entire world with communities independent, and yet interdependent. Nor is it to be lost sight of that England, her colonies, and India constitute an area sufficiently large not only for commercial but for monetary union; and differences of standard money form greater barriers to trade perhaps than even tariffs—useless barriers, too; barriers which contribute nothing to the national revenue."

"In short, Sir John, you sum up the position as a federation commercially possible?" "Yes, commercially, it may be achieved, on a basis, as I said before, of give and take. If you will give colonial produce such immunities as you give to no foreign nation. I will commit myself to the expression of a belief that the colonies will give British goods and only British goods, preferential treatment."

U.S. Manufacturing Output is Increasing

Manufacturing output in the United States during August, after adjustment for differences in working time, reached the highest point on record, according to the monthly index of the Department of Commerce. Standing at 36 per cent. above the 1919 average, this index showed an increase of 7 per cent. over the previous month and 12 per cent. over the same month of last year. The output of raw materials was larger in August than in either the previous month or the same month of 1925, with all groups showing advances over July except animal marketings and over a year ago except forest products.

Unfilled orders for manufactured commodities, principally iron and steel and building materials, were larger than at the end of the previous month, but smaller than a year ago, the declines from last year being due to smaller forward business for building materials.

Iron and Steel Output Declines for Last Year

Miscellaneous iron and steel products to the value of $9,937,208, were produced in Canada during 1925. While this total is less than that of the two preceding years, it marks an increase over the output values of 1922 and 1921.

There were 64 firms in this industry engaged in the fabrication of structural shapes for bridges and buildings, in the manufacture of brass and iron beds, railway track equipment, iron work, safes, vaults, etc. These plants represented an investment of $11,069,342 and afforded employment to an average of 2,363 people to whom $3,236,948 was paid in salaries and wages. Materials used cost $4,204,108, so that the value added by manufacturing processes was $5,193,100.

Price Maintenance is Adopted by Gillett Co.

Elimination of "bargain" sales and stabilization of prices for its products among retailers, is the aim of the E. W. Gillett Co., Ltd., one of the largest and best-known manufacturers of food products in Canada, who have announced a new price maintenance policy not only from jobber to retailer, but from retailer to consumer.

Up to the present time, E. W. Gillett Co. have had an agreement with the wholesale trade in which it was stipulated that the list prices must not be cut to the retailers. This agreement is still in effect, with a change covering the point that no retailer can be sold Gillett goods unless he signs the retailers' agreement to abide by the new policy and not cut the price.

Under this new policy there will be two prices, one for service and the other for the non-service store. The company defines "service" as the giving of either credit, or delivery, or both. The company claims that 'non-service," or "cash-and-carry" dealers were not entitled to the same margin of profit as "service" merchants, who had to take care of the added cost of credit and free delivery.

Whether or not the company sells to the retailer in the small country town or to the large departmental store in the city, the price for its products will be the same. Price cutting on any of the Gillett products will meet with immediate cancellation of the contract.

Construction Awards Decline in September

While the volume of construction work in Canada during September showed some recession from the high figures set in the previous months, MacLean Building Reports, Ltd., say that more work is actually in progress throughout the Dominion now than at the same time for many years past. Compared with the record for the first nine months of 1925, this year exceeds that total by 34.1 per cent.

The value of new construction contracts during September was $20,760,600, bringing the total for the first nine months of 1926 up to $280,865,400, of which business buildings account for $86,980,500; residential work $82,935,300; public works and utilities, $62,068,800, and industrial, $48,880,800.

Thirty-nine per cent. of the contracts awarded up to September 30 are included in the Quebec province total, which now stands at $109,586,900. The province of Ontario ranks second, having a total of $100,785,600, followed by the Prairie Provinces with $40,559,500; British Columbia, $22,862,600; and the Maritimes, $7,070,800.

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Securities Markets

DISCRIMINATION IS ADVISABLE IN PRESENT BUYING

Individual Merit Counts in Absence of Definite Trend

MARKET INDICATOR

20 Industrial Stocks		
Week of Oct. 6	93.3	90.0
Week of Sept. 29	92.5	89.5
Month of Oct., 1925	81.1	73.5
9 Bank Stocks		
Week of Oct. 6	$224	$223
Week of Sept. 29	224	223
Month of Oct., 1925	221	215
10 Public Utilities		
Week of Oct. 6	100	97
Week of Sept. 29	99	97
Month of October, 1926	93	89

The tendency of the stock markets to make adjustments in the values of individual securities in the absence of a definite speculative trend has continued throughout the week. It is a time when the investor must use discrimination. Business continues good and the outlook is generally satisfactory. But already better conditions than have as yet been experienced in some industries have quite evidently been discounted by market speculation and purchases now made, to be sound, should be on the basis of definitely assured earning power. The New York market is setting the Canadian markets an example and many adjustments in values are being made in Wall Street without materially changing the general price level. It remains to be seen whether there will be another advance or whether liquidation will spread. The rails are regarded as being in a stronger position than the industrials and likely to lead any further bull demonstration, along with certain other favorites, which have been prominent in the upward movement. Any further general advance it is believed will be taken advantage of to cover distribution, it being felt that the stock holdings of the public are not yet of sufficient proportions to bringing about a general bear market. It is a time when care and judgment should be employed.

The week's changes on the Canadian markets include rather more declines than advances but, as previously stated, there is no definite trend in evidence. The steel and the utilities stocks have been very strong, while the foodstuffs, paper and textile groups have developed weakness. Following is a summary of the changes by groups

	Gains	Losses	Unch.	Total
Banks	4	3	2	9
Paper	4	7	3	14
Steel	11	6	16	33
Foodstuffs	8	17	17	42
Utilities	14	4	11	29
Tractions	4	3	7	14
Textiles	1	9	4	14
Industrials	15	17	17	49
Totals	61	66	77	204

Profit-taking has been in evidence in the paper group after the general advance of previous weeks. Also there is perhaps some slight apprehension as to temporary over-production when the plants now being constructed are brought into production. This would be particularly the case should there be any change in the trend of increasing consumption in the United States' market. Abitibi, Brompton, Howard Smith, Price Bros. and Spanish declined while Laurentide was outstanding for its display of strength.

In the steel group, Canada Forgings made a rather spectacular advance. McKinnon Industries continued its better showing and advanced further. Steel of Canada was fractionally higher. Massey-Harris and Ontario Steel sold off. The majority of the changes were in the upward direction but for the most part they were not very important.

With such leaders in the milling and foodstuffs group as Lake of the Woods and Ogilvie selling off, general weakness in this section developed although Western Canada Flour and St. Lawrence sold higher. Arnolds, Atlantic Sugar, B.C. Fishing, Canada Bread, Christie-Brown and City Dairy all sold off, while Loblaw and Shredded Wheat were among those to strengthen.

The power stocks were in popular demand and continued their upward movement. Laurentide sold up to 130 compared with a low for the year of 100. Shawinigan also made a spectacular gain. Quebec Power was moderately higher but Ottawa Power sold off. In the tramways section Brazilian was easier as was also Twin City but Ottawa Traction and Montreal Tramways sold higher.

The textile stocks practically all declined. Canadian Cottons was off 5 points, and Canadian Cottons 2. Dominion Textile and Penmans declined fractionally.

In the general industrials, gains and losses were about equally divided. American Salesbook gained a point. The Asbestos stocks sold off. F. N. Burt and Canada Cement declined fractionally. Dominion Grass did better. Lyall was off a couple of points. Rogers common gained a point. Other changes were not very significant.

To Locate Pulp Mill in Northern Manitoba

WINNIPEG.—The Industrial Development Board of Manitoba, in co-operation with the Manitoba government, is now making a survey of the area between Lakes Winnipeg and Winnipegosis, with a view to ascertaining the extent of agricultural lands and the ultimate establishment of a pulp mill at Grand Rapids. Eastern interests are prepared to establish a $9,000,000 pulp mill at Grand Rapids. provided transportation is assured.

New Company to Make Pulp from Straw in West

MONTREAL.—A group of Edmonton business men has completed preliminary arrangements for the formation of a company, known as the Western Canada Paper Company, for the purpose of manufacturing paper from straw. The process was invented by John Bache-Wiig, who is associated with other Edmonton interests in the new project, which is to apply shortly for a Dominion charter. The capitalization will be $500,000. Within recent years, the Alberta government conducted investigations into all the known processes of manufacturing pulp from straw in order to determine some method of utilizing the vast quantity of this material which annually goes to waste. Finally, the Bache-Wiig process proved successful in laboratory tests in Montreal.

International Nickel Being Accumulated for a Hold

The brighter outlook in the nickel industry is attracting some attention to International Nickel, which at its present level of 36 is considered an attractive stock for those who are willing to wait for an appreciation of their investment. Over 85 per cent of the nickel of the world is mined in Canada and although the market was wrecked after the war, the possibilities for those companies which have created new markets are considered to be nothing short of tremendous.

The Canadian companies which survived the hard post-war period set about to discover new uses for the metal and to extend existing markets. The International set up its own rolling mill and pushed the use of monel metal (a natural alloy of nickel and copper) with great success, so that at the present time sales are increasing and bid fair to overtake even the steadily rising consumption of nickel. 1925 production amounted to over 69,000,000 pounds, with a value of $19,470,000, which is a huge increase over the low production of $6,123,000 in 1922. Exports are steadily mounting, the United Kingdom accounting for more than half of this purchase, and the United States being the next heaviest buyer.

Russell Motor Statement Approved

The directors of the Russell Motor Car Co. held a meeting recently, at which they passed upon the financial statement for the fiscal year ending July 31, 1926, and this, it is expected, will be issued to the shareholders in about a week's time.

Toronto Railway Stubs

The Toronto Board of Control has decided to drop the interest dispute with the old Toronto Railway Co., which will allow the $50,000 which was in question to be paid to the shareholders. The only other matter that now remains to be settled is the claim on the part of the company against the Queen Victoria Niagara Falls Park Commission which is reported to be rapidly nearing a settlement. Two payments of $110 and $4 have already been made to shareholders, and when the final settlement is made it is expected that another $2.20 will be available for distribution.

No Compromise in Security Values
DEMAND STERLING REPORTS
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Food Products

LAKE OF WOODS REPORT REFLECTS POOR CONDITIONS

President Says Conditions Much Better During Current Fiscal Year

From Our Own Correspondent.

MONTREAL. — The annual report of the Lake of the Woods Milling Company for the year ending August 31, 1926, reveals the fact that for two years the company has been unable to earn sufficient to meet the requirements of its common stock dividends. It reveals also to investors the advantage of holding shares in a company which during the fruitful years sets aside reserves sufficient to carry it over leaner periods without lowering the dividend rate. While the past year has been decidedly unsatisfactory, due to conditions which prevailed throughout the industry as a whole, yet at the moment the outlook for the future appears to have brightened; price cutting has ceased and orders from both the domestic and foreign markets are coming in in fair volume.

The results of the year's operations are set forth in the following comparison of figures, which show also that the working capital position of the company has suffered little as compared with the 1925 year:

	Aug. 31 1926	Aug. 31 1925	Aug. 31 1924
Gross profits	$271,792	$193,486	$740,767
Interest	....	....	....
	$271,792	$193,486	$740,767
Depreciation	....	115,000	115,000
Net Profits	$271,792	$ 78,486	$625,767
Balance	933,027	1,379,541	1,328,774
	$1,204,819	$1,458,027	$1,954,541
Pfd. divids.	$105,000	$105,000	$105,000
Com. Divids.	420,000	420,000	420,000
Employ. Allow.	....	....	50,000
	$525,000	$525,000	$575,000
Forward	$679,819	$933,027	$1,379,541
Working Capital			
Curr. assets	4,580,159	4,519,250	4,361,919
Curr. liabilities	2,120,298	1,714,630	702,499
Work. Cap.	2,459,861	2,804,620	3,659,420

Earned Preferred Dividend

It will be noted from the figures for 1925-26 that earnings were sufficient to cover the preferred dividend two and a half times, but not sufficient to care for the full common dividend.

In discussing the outlook for the present year, the president at the annual meeting stated that the month of September, which was the first month of the new fiscal year, was entirely satisfactory from an earning standpoint, and the outlook for the future was much brighter.

For the first time in the past four years a funded debt appears on the balance sheet. This is a 5% first mortgage bond issue of the Dominion Flour Mills of $1,400,000 which is guaranteed by the Lake of the Woods Milling. This issue was made obviously to finance the purchase of the new subsidiary. The president in his remarks to the shareholders points out that the acquisition of this property about a year ago has worked out satisfactorily. Other changes in the balance sheet were of a minor character, with the exception of the fixed assets which naturally increased by practically the same amount of the bond issue on the Dominion Flour Mills which appears on the other side of the exhibit. The surplus account showed the decrease in the income account.

The President's Remarks

In his remarks to the shareholders, General F. S. Meighen, the president, says in part:

"The past year has been a difficult one for the milling industry in many parts of the world. In England, in Hungary, and to a certain extent in the United States, to mention three widely separated countries, business has been anything but good.

"Excessive competition was the condition under which we have been doing business in Canada, but there is an improvement, and prospects for the current year are more hopeful.

"Your directors decided to pay the full dividend on the common stock for the past year, even though it was not completely earned. The company's large reserve accumulated from surplus earnings in the past was set aside for this purpose, for which it is now being used.

"Nothing has been written off in the past year for depreciation. The plants have been kept in an efficient state, and, in view of the large amount already at the credit of the reserve for depreciation, it was not considered necessary to add to it.

"The Dominion Flour Mills, purchased by your company some months ago, have justified their acquisition. Their business has shown a clear profit after payment of all overhead charges and expenses of every kind, a result considered good under the adverse conditions which existed.

"Your directors hope and believe that the milling industry has passed the worst, and that with better conditions prevailing, the current year should show considerable improvement over that just finished."

Christie Brown Expected to Show Larger Profits

One of the companies that is feeling the impetus of better business conditions is Christie, Brown & Co., the plant of which has been working day and night to fill pressing orders that have come in unusually large volume, according to the Bi-Monthly Survey of Watt and Watt. "Various reasons other than general improved economic conditions are given by the management for current prosperity. The company placed on the market a variety of new lines of biscuits which have met with a decidedly favorable reception. Orders for these lines bulk large in the volume of current orders. The company, which does a business from coast to coast in Canada has also invaded the United States, and in spite of a stiff tariff, shipments to the United States trade are increasing steadily. Profits for the third and fourth quarters of 1926 are expected to show substantial increases."

REORGANIZATION GUNNS, LIMITED

New Capital Will be Raised for Operating Purposes and Paying Off Debts

Depressed conditions in the packing industry which have prevailed since the post-war price adjustment, and have been protracted by the unsettled labor conditions in Great Britain, are held responsible for a reorganization of Gunns, Limited, which provides for the liquidation of the present company and the formation of a new company in its place with a capitalization of $800,000 of which $500,000 will be preferred and $300,000 common. The old company's capital as shown in its statement last was $3,260,350 of which $1,500,000 was preferred and $1,760,350 common. The new $500,000 preferred will go to the old preferred holders, while the $1,760,350 common will be blotted out. The old preferred was at least 42 per cent. in arrears of dividends, it is stated.

It is explained that Gunns, Ltd., borrowed $375,000 from the Chicago packing house of Morris & Co., in 1921 and 1922. Some time back Armour's acquired the Morris firm and is now liquidating the Morris estate. This necessitated repayment of the sum borrowed. Gunns had also borrowed some $250,000 additional, which was also pressing. A group of heavy preferred shareholders to protect their own interest in part is paying off this $625,000 odd and receiving as a bonus therefore the $300,000 of new common, which obviously carries control of the new company. As soon as the new company is formed it is understood the new control will issue debentures to repay the $625,000 advanced.

Pure Food Stores Merger Plan Has Fallen Through

The reports which have been circulating recently with regard to a merger of Pure Food Stores, Ltd., of Montreal, have subsided within the last week. During the summer an option on the company was taken and a deposit of $25,000 was made. This option expired on Saturday, Oct. 2, and according to the information received, the matter has been allowed to drop. A short time ago it was rumored that Loblaw Groceterias were interested in the merger, but as stated in The Financial Post last week, this report was firmly denied by President T. P. Loblaw. Pure Food has weathered the quiet summer months exceedingly well, and according to the latest reports the company is in very sound position.

TELFER MEETING ADJOURNED

At an adjourned meeting of shareholders of the Telfer Biscuit Company to further consider the proposal of the directors to reorganize the capital structure, strong opposition developed, but an effort was made to come to an agreement. The meeting was again adjourned until a date not yet fixed. Opposition came from preferred shareholders, who did not favorably regard the proposal of directors to give them two shares of new no par common stock for each share held, and to cancel the arrears of dividends without any compensation.

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MUNICIPAL
HYDRO-ELECTRIC
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LIMITED
ROYAL BANK BUILDING, TORONTO, 2
MONTREAL QUEBEC HAMILTON LONDON, ONT. WINNIPEG

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MEMBERS
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
272 Bay Street, Toronto
Elgin: 5101-5102-5103
5104-5105-5106

William Paterson Company Is Being Reorganized

Announcement is made of the reorganization of the William Paterson Company, biscuit and candy manufacturers at Brantford. John S. Dowling becomes president and W. F. Paterson, secretary treasurer. Steps are being taken to secure new capital to permit of operations being resumed. It is hoped to bring operations up to normal capacity in the near future and thus provide employment for the workers who have practically all remained in the city.

This establishment is one of the oldest in the city, having been founded in 1863 by H. B. Leeming and William Paterson, the latter becoming sole proprietor in 1872.

Canadian Salt Earns More; Some Bonds Sold

From Our Own Correspondent.

MONTREAL.—It is understood that the Canadian Salt Company has recently closed valuable contracts with several of the leading manufacturers of chemical pulps, including the Canadian International Paper Company and the Fraser Companies, for the entire supply of liquid chlorine used by these companies. In order to take care of this new business, the recent additions to the plant became necessary. In recent years, the production of liquid chlorine, caustic soda, and bleaching powders, has played an ever-increasing part in the total output of the Canadian Salt Company; this, coupled with the satisfactory demand which the company has experienced for its salt production, must mean that earnings for the current year, which ends December 31, will prove highly satisfactory to the shareholders.

At the moment, the Royal Securities Corporation is offering privately $300,000 of the company's bonds. These bonds are the balance of an authorized issue of $1,500,000, of which $1,200,000 was sold about a year ago to refund the previously outstanding first mortgage 6's and general mortgage 7's, and for general corporate purposes. The present issue of bonds, which constitute the sole funded debt of the company, bear interest at 6 per cent. and mature in 20 years. The trust deed provides for a sinking fund on these bonds which are known as series "A." The present additional offering is being made at 103 to yield the investor about 5.75 per cent.

The Canadian Salt Company, with its predecessor, has paid 8 per cent. dividends on its common shares continu-

(Continued on page 9)

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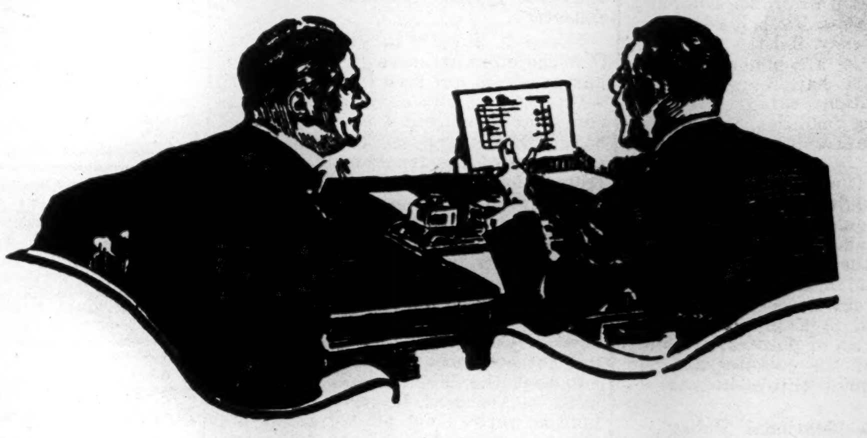

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A confidential chat—
with one of our trained representatives may open your eyes to many ways of improving your present financial position.

A means of strengthening credit—
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may or may not be the solution of your problems, but we cannot tell without your assistance.

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Canada Life Assurance Company
Head Office, 46 King St., W., Toronto, Canada

GOOD BUSINESS FOR MONTREAL COTTONS PLANT

Satisfactory Volume Assured to First Quarter of 1927

From Our Own Correspondent

MONTREAL. — Montreal Cottons continues to operate its plant at Valleyfield at 100 per cent. capacity. This showing is said to be excellent in view of the competition of the Lancashire mills. This competition has been most keenly felt in the Australian market which the company entered in recent years. The business coming from this source has been spotty and the net results have been considerably below last year.

This unsatisfactory condition of the export trade in textiles in Australia is due to several factors. Chief of these is the peculiar nature of this trade—consisting mostly of specialty lines. Further, climatic considerations made some goods entirely unsuited to the Australian market. Due to the difference in the season of the year, while the travellers are out with the spring range in Canada, the market in Australia is interested in the fall stocks.

Heavy Spring Bookings

"Our bookings for spring delivery assure a very satisfactory volume of business for the balance of this year and the first quarter of 1927," stated Mr. E. A. Robertson, sales manager of the company, to The Financial Post.

Montreal Cottons sells only to the wholesale trade and to the manufacturers. During the past fifteen years, it has been steadily widening its output. The chief lines in the dyed goods are: cotton clothing linings; cotton wash goods; cotton dress goods; silk and cotton wash goods; draperies and shirtings. Montreal Cottons also manufacture a large line of fine white goods.

The mills are located at Valleyfield, and have a daily capacity of 2,500 pieces of 50 yards and a weekly production of 160,000 pounds. Over 200,000 spindles and 5,000 looms make this production possible.

Increased Use of Rayon

The past year has seen a great increase in the amount of rayon used by the company. Only the best qualities are used, and then, of course, only in the superior fabrics.

The latest use of this artificial silk is in decoration cloth for umbrellas—appearing in the vari-colored reds, blues and greens. Rayon covered umbrellas at $36 a dozen will now sell, whereas the cheaper cotton covered types will not sell as readily at approximately one-third the price.

The company, under exceptionally capable management, has always made steady progress. The fiscal year, ending on December 31, will reflect the continued satisfactory position of this old-established textile pioneer.

Montreal Tramways Might Issue Shares

From Our Own Correspondent.

MONTREAL.—The shares of Montreal Tramways have scored a major advance of over ten points; this is a sympathetic movement due in part to the rise of all the listed stocks and partly to the recent rise in the shares of the Shawinigan Water & Power Co., which jointly with Montreal "Power," controls Montreal Tramways.

The rise hardly seems to indicate anything of a spectacular nature, for in 1925 the stock touched 187 and the high for the present year was 178 until it broke new ground this week. During the past two years the shares have not been below 162. There is little doubt that earnings during the current year have shown some betterment and this, coupled with the buoyancy of the shares of the two parent companies, has undoubtedly been responsible for the rise.

On the other hand, the company will grow and there appears some expectation that further extensions to the property might be financed through a stock issue. This may have had something to do with the rise.

The company, too, is in a strong position. It has capable management and is owned by the largest group of power interests in Canada; this makes the future outlook extremely attractive, more especially as the Montreal Tramways operates under a franchise with the city which ensures that equitable rates are charged. Since Tramways was acquired by its present owners, its position has steadily improved and thus, with the decline of interest rates on first class securities, a demand naturally arose for the stock, with a consequent rise in price.

Kahn's Remarks Have Bearing on Foreign Bonds

From Our Own Correspondent

MONTREAL.—The current bulletin of the National City Company contains an address by Otto H. Kahn, the prominent United States banker, on "Mussolini and Italy."

"Mr. Kahn's remarks are timely, says the National City Company's booklet, in view of "this habit of looking upon other people's problems from our own point of view, and thus we lay ourselves open to error and, perhaps, blind to the true state of affairs." This Mr. Kahn's remarks have a decided bearing on the stability of the Kingdom of Italy bonds. He says in part:

"In Italy, for many years prior to the advent of Mussolini, the evils of Parliamentary government were rampant, and intriguing, wire-pulling, self-seeking combinations of politicians making and unmaking executives, ministries and [illegible] The result was inefficiency and corruption, and among the people contempt for and suspicion of, government, accompanied inevitably by the injurious results that spring from such a state of the popular mind.

"Mussolini has substituted efficient and energetic and progressive processes of government for Parliamentary wrangling and wasteful impotent bureaucracy.

"The finances of the Government have been put in order by vigorous taxation, strict economy and adherence to sound methods. Indeed, the administration and policies in fiscal affairs have been models of courageous, wise and skilful statesmanship. Economy and efficiency have been introduced into the government and other public services. Inveterate abuses and shortcomings have been, or are being remedied. A program of purposeful planning, vitalizing reforms and constructive activities is being steadily carried forward.

"Commerce and industry are active and prosperous, and are being intelligently seconded by the Government. Foreign trade is being aided by well-conceived commercial treaties. Courageous enterprise has been called forth. The rewards of labor have been improved, the living conditions of employees ameliorated by enlightened measures, the social welfare of the workers and their families promoted by advanced legislation, and unemployment and strikes reduced to a minimum. Work and order prevail and disciplined effort for the national welfare. Art is being stimulated, science encouraged. Patriotism and proper pride of country have resumed their rightful place.

"The cultivation of religion which, for many years, a crude and false conception of democracy had treated with churlishness and disrespect, if not with actual animosity, is being upheld, and due reverence rendered to it.

"The voice of Italy, long unheeded in the councils of Europe, is heard with due consideration in the chancelleries of the nations."

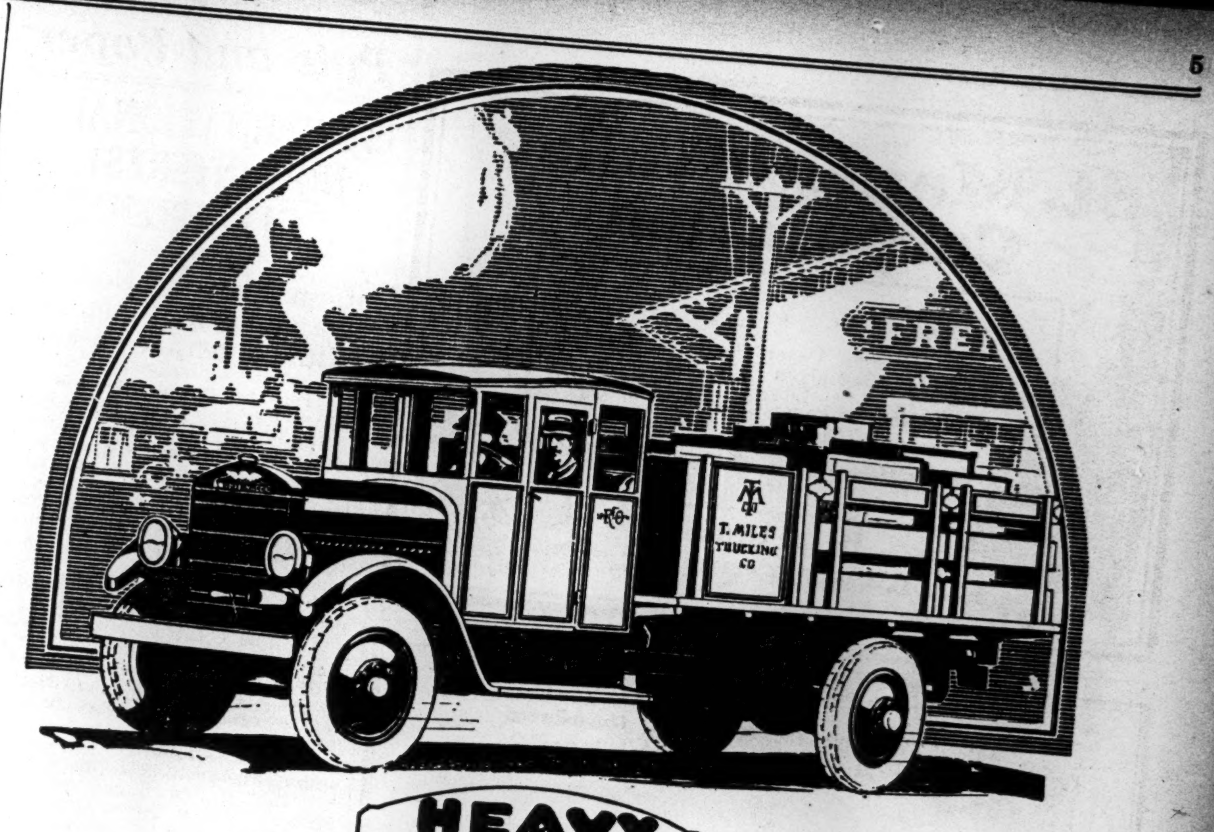
New Bond House Starts

MONTREAL.—The investment house of Flood, Barnes and Company has secured offices in the Insurance Exchange Building, Montreal. The partners of the new house, H. C. Flood and K. S. Barnes, were lately associated with Nesbitt, Thomson and Company. Mr. Flood was vice-president of the latter firm and also held a seat on the Montreal Stock Exchange for some years; the new company will operate the Montreal Stock Exchange firm of Flood, Potter and Company. Alterations in the offices will be necessary, and thus the new firm will not be ready to commence business until around November 1 next. Mr. Barnes was lately secretary of the Power Corporation of Canada, and also some of its associated companies.

Stock Market Record

WEEK ENDING OCTOBER 5

	Div. Rate	Yield Oct. 4	High for wk.	Low for wk.	Close Oct. 5	Close Sept. 28	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.82	223	221	222	222	94	226	214
Dominion	12+1	6.21	209	208	208	208½	59	219	207
Can. Nationale	10	6.32	158	158	158	158	25	170	157
Imperial	12+1	6.33	206	204	204	205	104	215½	200
Montreal	12+2	5.18	271	269½	270	269	199	275	251½
Nova Scotia	16	5.48	291	290	291	289	44	300	281
Royal	12+2	5.53	253	252	252½	252	237	255⅛	248
Standard	12	6.25	193	191	191	195	69	200	190
Toronto	12	5.47	219½	219	219½	219	123	222	213
Paper—									
Abitibi, com. (no par)	4	4.17	96½	92½	93¾	96	8700	98	70¼
Do. pref.	7	6.30	111	110½	110½	111	60	116	106¾
Belgo-Can. pref.	7	6.86	102	100	100½	100	780	102	95¾
Brompton (no par)	.	...	37¾	36	36	37⅞	5695	38½	26
Laurentide	6	5.22	114¾	107⅛	111¼	108½	40137	114¾	81½
Price Bros., com.	2	2.70	74	72	72	75	50	76¾	57
Do. pref.	6½	6.37	102	101½	102	101½	200	102½	95
Prov. Paper, com.	6+1	6.14	..	...	...	...	...	114⅝	100
Do. pref.	7	6.66	105	105	105	105	5	106½	100
Smith, Howard, com.	.	...	56	54½	54½	56	254	58¾	38
Do. pref.	8	7.76	103	103	103	103	12	105	92¾
Span. River, com.	7	6.54	108½	105½	105½	109	1355	111¾	96½
Do. pref.	7	6.06	117	114¾	115	116½	1055	120	108
Wayagamack	.	...	100	97¾	100	97	890	100	56
Steel and Steel Industries—									
B. E. Steel, com.	.	...	...	...	...	...	...	3½	¼
Do. 1st pref.	.	...	10½	10½	10½	10	40	30	9
Do. 2nd pref.	.	...	2	2	2	1¾	100	10¾	1
Can. Car & Found., com.	.	...	42½	41	41	42½	140	49	33
Do. pref.	7	8.21	86¼	85	85	86½	826	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C.G.E. com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.14	57½	57	57	57	191	60	53½
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.04	87	85	87	86	24	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Can. Forgings, pref.	.	...	63½	60½	63½	60	175	63¾	41½
Can. Forgings, com.	.	...	15	15	15	8	25	15	8
Dominion Coal	.	...	51¼	51¼	51¼	51¼	10	52	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.60	111	106	108	107	2812	111	80
Dom. Radiator, pref.	7	6.89	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	16½	16½	16½	16½	65	25	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind. c., (no par)	.	...	31½	29	29	28	425	31½	15
Do. pref.	7	7.36	95	94½	95	94½	312	95	87
Do., Voting Tr.	.	...	29	28½	29	30	2012	30¾	28½
Massey-Harris, com.	.	...	70½	69	69	71	1155	73	40
Do. pref.	7	6.91	102	100½	101¼	101	246	102	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.66	77	75	75	78½	375	78½	60
Do. pref.	7	7.00	100	100	100	101	5	103	98
Russell Motor, com.	3	....	..	...	...	...	...	42	39
Do. pref.	7	7.56	..	...	...	...	...	93	76
Sawyer-Massey, pref.	.	...	9½	9½	9½	5	5	13	5
Steel of Canada, com.	7	6.45	108½	107½	108	107⅝	421	109½	95⅛
Do. pref.	7	5.69	123	122½	123	123	79	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	22¾	21¼	21¼	23	300	26⅝	18
Do. pref.	7	8.04	87	87	87	90	5	92	87
Atlantic Sugar, com.	.	...	26	24	24	26¼	425	32⅞	21½
Do. pref.	.	...	78	78	78	80	5	88	75
B. C. Fishing	5	6.84	73⅛	72¼	72½	73¼	545	78	57¼
Can. Bread, com. (no par)	$2.50	2.77	90	90	90	93	25	95	53
Do. pref. (A)	7	6.45	108½	108	108	108½	20	112	105
Do. pref. (B)	7	6.66	105½	105	105	105½	78	107	96¼
Can. Canners, com.	.	...	12¾	12⅛	12½	12¾	295	15	12
Do. pref.	4	6.08	66	65	66	65½	430	70	60
Canadian Salt	8	6.40	..	...	...	...	...	145	124
Christie Bis. c. (no par)	.	...	37½	37½	37½	44¼	55	63½	37½
Can. Bak. c. (no par)	.	...	36	35	35	35	341	37¾	26½
Do. pref.	7	7.36	95	95	95	95	94	96¼	92
City Dairy, c. (par $25)	12	3.77	79½	79	79	80	210	82½	65½
Do. pref.	7	6.36	110	110	110	110	4	112	107
Cuban Can. Sugar, com.	.	...	..	..	...	...	...	5	3
Do. pref.	.	...	26	25½	26	23	25	28	21
Dom. Stores, c. (no par)	$2.40	3.86	63	62	62	62	270	68	56
Do. pref.	8	6.89	..	..	...	...	...	116	106
Wm. Davies (A) (no par)	.	...	30½	30	30	30½	85	37¼	27½
Inter. Milling, pref.	7	7.00	100	100	100	100	55	105¼	98½
Lake of Woods, com.	12	7.54	159	150	150	157	55	175	139
Do. pref.	7	6.06	115¼	115¼	115¼	115	136	118	115
Loblaw, com.	$1.00	2.12	48⅛	46½	47	45	164	55	29¾
Do. pref.	7	6.79	103	103	103	102½	30	103	100½
Maple Leaf Mill., com.	.	...	71	70	70	70	85	88	50⅛
Do. pref.	7	7.00	98½	97	97	97	84	102	90
Ogilvie Flour, com.	5+5	2.59	193	191	191	200	125	200	165½
Do. pref.	7	5.98	117½	117	117	117	12	125	117
Pure Gold Mfg. (no par)	50c	...	19	19	19	19	15	23½	17½
Shred. Wh. c. (no par)	75c	5.62	53½	51½	53½	52	570	54	47½
St. Law. Flour, com.	.	...	34	34	34	32	30	45	26
Do. pref.	7	8.38	..	..	...	...	...	84	80
Viau Biscuits, com.	.	...	26	25	25¾	26	85	28	18
Do. pref.	7	8.04	87	87	87	87	31	89	85
Western Gros. c. (new)	.	...	30	29	29½	30	160	30	24
Do. pref. (new)	7	9.09	76⅞	75	75	77	110	80	62
Do. com. (old)	.	...	5	5	5	5	2	13¼	4
Do. pref. (old)	.	...	..	..	...	...	...	64	49
West. Can. Flour, com.	35c.	...	22	22	22	20	268	22	18
Do. pref.	6½	6.53	99½	99½	99½	99½	61	99½	97⅝
General Utilities—									
Bell Telephone	8	5.81	137½	137	137¼	137	341	141	136
Consumers Gas	10	5.79	172½	171½	172½	171½	149	183⅞	170
Irter. Util. (A) (no par)	87⅜c	...	..	...	...	...	...	38½	30½
Con. Gas rights	.	...	..	...	...	...	...	485	390
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.21	97	97	97	97	5	99¼	96½
Laurentide Power	5	3.84	130	115	130	114	425	130	100
Mackay, com.	7	5.26	133½	133	133½	132½	244	138½	129
Do. pref.	4	5.63	71	70½	70½	70½	101	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	31⅞	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr. com.	.	...	73	71	72¾	72½	12410	74¾	59
Do. pref.	.	...	50⅜	50	50¼	50⅜	3170	50½	48⅛
Calgary Power	.	...	..	...	...	...	...	52½	51
Montreal Teleg (par $40)	8	6.53	..	...	...	...	...	51½	48
Ottawa L. H. & Pr., com.	6	6.28	95½	95½	95½	97	10	100	92
Do. pref.	6½	6.37	103	102	102	103	16	105½	100
Quebec Power, com.	6	3.52	171⅜	163	164	162½	3504	175	113
Do. pref.	7	6.06	115½	114½	115½	114½	224	116	109½
Shawinigan	8	3.20	251	225	243	224¼	6252	251	167½
Do., Rights	.	...	10	7¾	9⅜	7⅜	10256	10	6½
South Can. Power, com.	2.00	2.16	92½	89½	92½	92	351	98	81
Do. pref.	6	5.94	101½	100½	100½	102	75	104½	99
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Transportation—									
Can. Pacific Rly.	10	6.02	166	163½	166	165⅝	5	169	147
Can. Steamships, com.	.	...	28½	25¾	28¼	26	1703	30	11
Do. pref.	.	...	91	88½	89¾	89½	5689	91	56
Do. voting	.	...	27⅞	26	27¼	26	1000	29⅝	11
Tractions—									
Barcelona (par $50)	.	...	39¾	39	39¾	39¾	215	40½	26
Brazilian, com.	5	4.16	120	117½	117	119½	27181	123½	80
Do. pref.	6	5.60	107½	107	107	108	344	108	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1½
Duluth-Superior	.	...	30	28	30	30	295	33¼	25
Illinois Trac., pref.	6	6.00	..	...	...	...	...	100	96¼
Montreal Trams	10	5.84	175	171	175	171	420	178	159
Ottawa Traction	4+1	6.71	74½	72	74	71	1040	74½	60
Porto Rico Rlys., com.	.	...	..	...	...	...	...	47	40
Do. pref.	7	7.86	89½	89	89½	88½	20	91	85½
Twin City, com.	5	7.49	68	64½	65	68	1255	79½	64½
Do. pref.	7	6.86	..	...	...	...	...	103	102
Winnipeg Elec., com.	1	....	58½	56	57	57	3643	60	45¼
Do. pref.	7	7.00	101	100	101	100	62	103	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	35	35	35	40	30	49	35
Can. Converters	7	7.44	94	94	94	94	15	95	90
Can. Cotton, com.	8	7.08	113	113	113	115	5	124	113
Do. pref.	6	6.48	94	92½	92½	94	93	99½	92½
Can. Woollens, com.	.	...	5	5	5	7	4	8	4
Do. pref.	.	...	50	50	50	48	49	50	45
Dom. Textile, com.	5	5.40	92¾	92½	92½	92¾	584	99⅛	89
Do. pref.	7	5.93	116¼	116¼	116¼	118	20	122	115
Monarch Knitting, preg.	.	...	..	...	...	...	...	50	30
Montreal Cottons, com.	6	5.35	110	110	110	112	25	112	102
Do. pref.	7	6.15	..	...	...	...	...	115½	110
Penmans, com.	8	4.27	187	187	187	187½	40	191	173
Do. pref.	6	5.88	102	102	102	102	5	104½	101½
Wabasso Cotton	4	5.47	73	73	73	74	50	79	60
General Industrials—									
Amer. Sales, c. (par $20)	4	6.06	66	66	66	65	5	70	54
Do. pref.	7	7.21	98	97	97⅞	97	33	98	92
Asbestos Corp., com.	.	...	21⅝	20½	20½	21½	1141	24½	16½
Do. pref.	7	9.27	78	74¾	76	78	1455	79¾	62
Building Products, pref.	7	7.69	91	91	91	92	10	92	83
Brant Cord. pf. (par $25)	8	7.92	25½	25	25½	25½	164	27½	24½
Burt, F. N., com.	12	5.35	56½	56	56	56½	180	67½	50
Canada Cement, com.	6	5.50	109⅛	107½	109	109⅞	200	111½	98
Do. pref.	7	6.08	115	114	115	115	44	120	113
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	1.28	5.22	24½	22¼	23¾	22⅞	22638	24½	16¼
Crow's Nest Coal	6	8.82	68	68	68	68	5	85	51



HEAVY DUTY SPEED WAGON

The horse-power advantage of the Heavy Duty Speed Wagon over the average for seventy-four 2-ton trucks is not so much a matter of totals as of ratios.

Thus, computing the average combined weight of chassis and load per horse-power, the Heavy Duty Speed Wagon has an advantage of 17.6 pounds per h. p.

Capacity 2-TONS

CHASSIS $2485 plus freight, tax paid

To be a Speed Wagon —it must be a Reo

REO MOTOR CAR COMPANY OF CANADA, LIMITED, Windsor, Ontario

	Div. Rate	Yield Oct. 4	High for wk.	Low for wk.	Close Oct. 5	Close Sept. 28	Sales for wk.	Range, 1926 High	Range, 1926 Low
Dom. Glass, com.	7	8.04	87½	87	87	86½	125	105	84
Do. pref.	7	6.78	103¼	103¼	103¼	103	30	111	103
East Theat. c. (par $25)	.	...	27	27	27	30	5	30	18¾
Do. pref.	7	...	93	93	93	93	35	93	83
Famous Players, com.	.	...	17	17	17	16	1	18½	11
Do. pref.	8	8.64	92⅜	92¼	92⅜	92	120	94¼	88
Gilman, com.	6	4.76	126	126	126	127	40	127⅛	104½
Do. pref.	7	5.38	130	130	130	130	15	130½	113½
Goodyear Tire, pref.	7+3½	7.36	95½	94¾	95	94½	95	99¼	85
Holt Renfrew, com.	.	...	34	33	33	30	14	34	26
Do. pref.	7	7.86	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	30	30	30	31	10	41	25
Kelvinator, com. (no par)	.	...	18½	17	17	17⅛	163	20½	14
Do. pref.	7	7.56	93½	91⅞	92	94	71	94	88
Lyall Construction	.	...	37	37	37	39	10	48	20
Nat. Brew. c. (par $25)	4	5.65	70¾	66¾	68	68¼	7095	72	56
Do. pref.	7	6.73	104	104	104	104	15	110	104
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	10.76	65	65	65	65	10	72	60
Pacific Burt, com.	6	6.41	93	93	93	93½	10	110	90
Do. pref.	7	6.69	105	104	105	103	55	110	102
Port Hope Sani., com.	8	8.00	..	...	...	...	...	100	74½
Do. pref.	7	6.86	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	63	63	63	62	25	67	45
Do. pref.	7	7.40	95	94½	94½	95	85	97	90
Sher.-Williams, com.	6	4.31	141	138½	138½	142	210	148	125
Do. pref.	7	6.03	116	116	116	115	71	116	110½
Sterling Coal	4	10.56	39	39	39	39	5	43	37
Tooks Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	63	57	63	63	11	63½	56
Tuckett Tobacco, com.	4	6.45	62	62	62	63	5	65	58
Do. pref.	7	6.82	102½	100¾	100¾	102½	11	105	100
Loew's, com.	.	...	37	36	37	36	30	40	36
Do. pref.	.	...	93½	93½	93½	91	5	93½	90
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.83	..	...	...	...	...	90	77¾
Standard Chem., pref.	.	...	9	9	9	9	10	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.09	..	...	...	...	...	100	90
Can. Permanent	12	5.72	210	209½	210	208½	15	211	202¼
Colonial Invest.	6	...	[illegible]	...	...	...	...	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	..	...	...	...	...	133	127½
Landed Banking	9	5.76	..	...	...	...	...	156	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.00	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	7.76	..	...	...	...	...	90⅛	85
Toronto Gen. Trusts	12	5.33	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.67	97	97	97	98	31	100	93½
Union Trust	7	6.79	103	103	103	103⅜	3	103⅜	98

THE CURB MARKET

	Div. Rate	Yield Oct. 4	High for wk.	Low for wk.	Close Oct. 5	Close Sept. 28	Sales for wk.	Range, 1926 High	Range, 1926 Low
Andes Pete	.	...	...	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	37¼	34	35½	35	3917	43¾	7
Beacon Oil	.	...	18⅝	18	18	19	455	19½	14¼
Belding, pref.	7	8.75	80	80	80	80	47	101	75
Brit. Amer. Oil (par $25)	10	4.25	59¾	56⅛	58	57½	1690	60	47
Can. Nor. Pr., com.	.	...	..	...	...	...	...	30	28
Can. Oil, com.	1¼	5.55	90	90	90	90	10	91	65
Do. pref.	8	7.14	112	111½	112	114	26	114	109
Cockshutt, pref.	.	...	71	71	71	72	30	73	57¼
Continental Oil	$1.00	...	19¾	19⅝	19¾	20	63	26	19⅝
Dom. Eng.	.	...	120	97	120	90	428	120	65
Dryden Power (no par)	.	...	12	11	12	11	545	12	5½
East. Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec. com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	75	59½
Good. & Worts	.	...	35¼	32½	33	33½	5800	36¼	27½
Illinois Power, pref.	7	7.14	98⅝	98	98⅝	98⅝	19	99¾	96
Imperial Oil	$1.00	2.72	36½	35¼	35⅝	36¼	1077	38½	32½
Inter. Petroleum	75c	2.30	32¾	31	31	33	801	35½	29¼
Manitoba Power	.	...	41	41	41	41	20	43	24
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	4.76	475	475	480	1055	490	450
Nor. Mex. Pr., com.	.	...	45	45	45	44½	5	55	40
Do. pref.	7	8.58	81½	81¼	81½	84½	30	85	81¼
N.S. Car, com.	.	...	12	12	12	12½	25	15	5
Page Hersey, com. (new)	75c	...	49½	47¾	49	47	3365	49½	43
Do. pref. (new)	$1.75	6.42	110	107	110	106	245	110	100½
McColl Oil, com.	.	...	23¾	22½	22½	23¾	343	24¾	18⅞
Do. pref.	.	...	..	...	...	...	...	99½	99
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	99	75
Power Corp. (no par)	.	...	23	23	23	25	120	28¼	22
Pressed Metals	.	...	36	36	36	38	10	40	30
St. Law. Pr. (no par)	.	...	48	48	48	47¼	305	50	35
St. Maurice Pr.	.	...	87	81	86	80	155	87	72½
St. Maurice Valley	.	...	63½	60	63½	63½	516	65	40
Simpson, Robt., pref.	6	6.00	100	100	100	100	10	102	99
Toronto R. S.	.	...	1.75	160	175	160	990	175	110
Un. Secs., com.	.	...	52	51	52	52	22	65	50
Do. pref.	6	5.88	102¼	102	102¼	102	104	105	102
Volcanic Oil	63c	...	31⅞	31	31	30	247	31⅞	26
St. Law. Pr., pref.	8	7.71	108¾	103¾	103¾	...	75	108¾	103¾

Canadian Mortgage Reorganization

Shareholders of the Canadian Mortgage Investment Company at an adjourned meeting confirmed the proposal of directors to sell the assets of the company to Debenture and Securities Corporation of Canada. The reorganization is internal. Debentures and Securities Corp. was formerly a subsidiary, with powers of an investment trust. The wider scope involved was the determining factor in inducing the directors to make the change.

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 6% 1962	..	29
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	..	100
Bell Telephone 5%, 1955	99⅝	100
Burns, P. & Co. 6½% 1948	103	104
Can. National Rly. 5% 1954	100⅝	101
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104⅞	..
Can. Pacific Rly. 5% 1934	99½	100
Can. Pacific Rly. 4½% 1944	93⅝	94
Can. Steel Foundries 6% 1936	102	..
Dom. Textile 6% 1949	106¾	107½
Duke Price 6% 1966	102⅝	102⅞
Frontenac Brewery 6% 1951	98	..
H. Smith Paper, 7%, 1941	100⅞	..
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	..	101½
Prov. of Ontario 5% 1948	101	101⅞
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	102⅝	103⅜
Quebec Power 6% 1953	103½	104
Winnipeg Elec. 6% 1954	96¼	97
Jam. Pub. Service 6½% 1943	103	104
Span. River P. 8% 1941	107	..

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	6	8
Can. Westinghouse, com.	167	171
Cosgrave Brewery	4	5
Cosmos Imp. Mills, com.	12½	15
Dom. Power, pref.	99	..
Farmers Dairy, com.	48	..
Dunlop Tire, pref.	82	85
B. Greening Wire, pref.	92	95
Gunns, Ltd., pref.	29	31
King Edward Hotel, Deb. A.	77	81
King Edward Hotel, Deb. B.	57	61
Loew's Buffalo, pref.	55	60
Loew's London, com.	3½	4
Pure Food, com.	32	34
Mount Royal Hotel, pref.	36	38
Nat. Grocers 1st pfd.	92	98
Nat. Grocers, com.	5	8
Willard's pref.	..	71
Capital Life 25% paid	21	25
Continental Life 20% Paid	37	..
Crown Life	125	..
Empire Life	25	..
Excelsior Life 29% Paid	59	65
Great West Life	450	..
Monarch Life 10% Paid	29	33
Mortgage Discount, pref.	6.9/10	7⅛
Ontario Equitable	19	22
Re-Insurance	19	22
Security Life 40% Paid	28	32
Sherbrooke Trust	110	..
Sovereign Life, 25% Paid	28	33

D. J. McDougald J. B. McArthur

Government, Municipal and Corporation

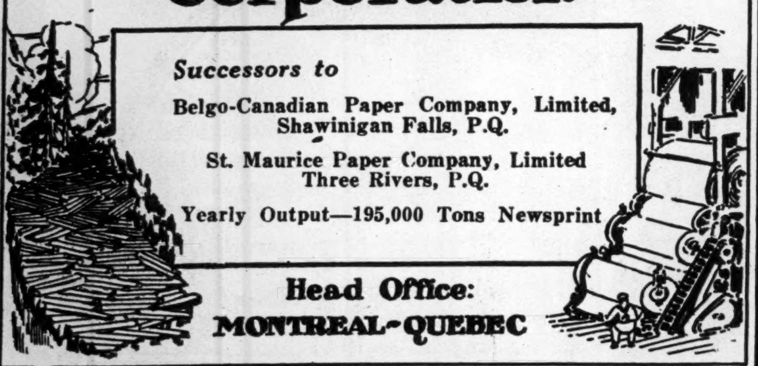
BONDS

D. J. McDougald & Co.

Trusts and Guarantee Bldg., 302 BAY STREET. ELGIN 2278

The Partners Personally Advise as to Investments.

St. Maurice Valley Corporation



Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint

Head Office: MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Mark of Quality

ROYAL RECORD
a Canadian-made Paper of regal quality
worthy for every purpose
where the printed message
must reflect
the character, stability and dignity
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Ask your Printer—he knows
HOWARD SMITH PAPER MILLS LIMITED
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Toronto - Montreal - Ottawa

Pulp and Paper

IS INTERNATIONAL NOW INTERESTED IN LAURENTIDE?

Informed Opinion Now That International Connected With Laurentide Mystery

From Our Own Correspondent

MONTREAL.—About the only significant information which has come out on the Laurentide Company during the past week is the official denial given by Shawinigan interests to the rumors which indicated that the big power producer was interested in acquiring Laurentide or its power subsidiary.

Thus, investors have now turned elsewhere to find some possible solution of the great activity in Laurentide shares which many believe portends a change in the control of the company, or else the acquisition of a very large block of the stock by new interests.

Many close followers of Laurentide sum up the position in this way: They say that if Shawinigan and the St. Maurice Valley Corporation are not behind the move in Laurentide, then the only other company which would be interested in the acquisition or control of the property is the International Paper Company.

The acquisition of the Laurentide Paper Company by the International Paper is, of course, quite feasible for the latter has recently enlarged its Three Rivers mill, and such an amalgamation would undoubtedly work out well, both with in reducing the cost of driving logs down the St. Maurice river, and also in producing an abundant and cheap source of power for the newly enlarged mill of the International Paper. On the other hand, it is felt that the control of the Laurentide Company has not changed hands as yet. If it had done so, the price would probably have gone considerably higher than the high records recently established.

There is little evidence to support the assumption that the International Paper Company has been purchasing Laurentide stock—but there was also little evidence to indicate that it was the Shawinigan interests which were behind the demand for the stock. In any event, there are many who, as a rule speak with authority on the newsprint industry who feel very certain that the International Paper is in some way mixed up in the mysterious undercurrents at present swirling about Laurentide. From one authorative source, positive denial is made that International is interested in Laurentide in any way.

On the other hand, it is possible, that in the final show down that more than one group will be found to have acquired an interest in Laurentide. The latter's power subsidiary might change ownership, whilst the paper mill might remain outside any consolidation, or perhaps might become associated with one of the other companies operating in the St. Maurice river valley.

Abitibi is Expected to Further Increase Output

MONTREAL.—It is generally thought that the newsprint production of the Abitibi Power and Paper Co., Iroquois Falls, Ont., will easily average some 520 tons daily when the company closes its fiscal year on Dec. 31 next. Last year Abitibi produced on an average of 500.5 tons daily and in 1924 488.2 tons. During the present year operations have been maintained at capacity, and the company has cause to congratulate itself on its mill staff, who each month seem to create new records of production. Despite the $5 cut in the price of newsprint during the current fiscal year, it seems a fair assumption that the company will at least equal its 1925 record of $11.1 in earnings available for each common share. The results which the company have and are achieving well warrant the general anticipation of an increase in the dividend rate to $5 or possibly $6 a share at some future date.

Anglo-Canadian and Ontario Join Forces

QUEBEC.—An agreement whereby the Anglo-Canadian Pulp and Paper Mills, Ltd., and the Ontario Paper Company will jointly develop for lumbering purposes large properties on the Manicougan River, was announced by Frank W. Clarke, president of the Anglo-Canadian company. To this end the Anglo-Canadian company is erecting a large mill at Limoilu, near Quebec. A new company has been formed under the title of the Quebec Logging Corporation, and application for a charter has been made to the Provincial Government.

A new town is to be built on the Manicougan and will be named "Taschereau," in honor of Quebec's premier.

Additional to the lumbering operations, the Ontario Paper Company proposes to erect a pulp mill here and to operate with power supplied from the development at Outarde Falls, which is now under construction.

Paugan Work Starts Soon

MONTREAL.—The International Paper Company will shortly begin construction work on its power site at Paugan Falls on the Gatineau River. This plant will be located about 25 miles above the hydro electric plant at Chelsea. The Gatineau River Power Company, the wholly owned subsidiary of the International Paper Company, has already two hydro electric plants under construction on the Gatineau River. The three developments were recently financed by a bond issue of the subsidiary power company.

Mattagami Sale Proceeds

MONTREAL. — The application made to the court to postpone the judicial sale of the Mattagami Pulp and Paper Company has been dismissed by the courts and the sale will take place as originally scheduled on October 11.

At the hearing before the court it was pointed out that I. W. Killam held $2,450,800 in debenture stock out of a total of $3,900,000. A good portion of this had been purchased for 38 and 40 cents. The Royal Securities Company also held about $946,000 first mortgage bonds.

Spanish River to Spend $700,000 in Extensions

From Our Own Correspondent.

MONTREAL.—The Spanish River Pulp and Paper Mills is undertaking a programme of expansion at its Sault Ste. Marie mill. This includes the re-construction of the boiler house, the installation of two steam turbine generators, to be housed in a new building, the installation of two lines of electric grinders and the erection of a new fresh intake to supply water to the mill. Work has already commenced on the excavation for the turbine room and the fresh water intake; it is expected that the whole undertaking will be completed by the spring of 1927. The estimated expenditure of the work is in the neighborhood of $700,000.

Prince George Project Depends on Wood Supply

From Our Own Correspondent.

MONTREAL.—While negotiations are reported for the erection of a $30,000,000 pulp and paper mill at Prince George, B. C., the opinion of those close to the interests behind the project is that the final consummation of the deal and the commencement of the construction program will not be immediate. Those behind the negotiations are understood to include Frank P. Jones, president of the Canada Cement Company, J. H. Gundy, of Wood, Gundy and Company, Toronto, and Angus McLean of the Bathurst Company, Bathurst, N.B.

Prince George, B.C., is situated in the more northerly areas of British Columbia close to the junction of the Fraser and the Nechako Rivers. One of the obstacles to be overcome is the necessity of securing sufficient pulpwood limits for the company. At first, a $10,000,000 mill was mooted and at that time negotiations were undertaken to acquire pulpwood limits sufficient to last thirty years. Leases covering this period were granted by the Government of British Columbia. Now, however, it is proposed to establish a larger mill and thus further timber will be required.

FRASER COMPANIES

It is not expected now that definite plans for the new 200-ton newsprint mill of the Fraser Companies will be arranged until next spring. While the company has already contracted for a supply of power from the Grand Falls development upon which work has begun by the St. John Power Company, yet this power will not be available until about July, 1928, and therefore it will not be necessary to have the mill ready till about that date.

INTERNATIONAL PAPER'S NEW ISSUE

NEW YORK.—International Paper Company is expected to float an issue of around $15,000,000 to $25,000,000 in 6 per cent. debentures shortly. Proceeds will probably be applied to expansion of newsprint mills in Canada. New issue is expected to be an obligation of International Paper Company itself. The last financing was done by a power company subsidiary.

Montreal Curb Market Off to a Good Start

From Our Own Correspondent.

MONTREAL. — The new Montreal Curb Market opened for the first time this week. There are 100 seats in all of which 77 are held by members of the Montreal Stock Exchange and 40 applications have been made to purchase the remaining 23 additional seats. The constitution and trading rules of the new market have been drawn up much along the lines of those of the New York Curb and it is thought that the inauguration of the new organization will provide a much better market for, and more interest in, those stocks, which are at present unlisted.

The members of the exchange have the right to appoint attorneys to act for them and those members of the Montreal Stock Exchange who are not actually represented on the floor of the curb, will be represented in this way.

In the past, stocks not listed on the Montreal Stock Exchange or on the Toronto Stock Exchange were traded, chiefly by telephone, from office to office. Under the old method, unless a broker called every house dealing in the unlisted securities, it was practically impossible to obtain the real market. Commencing this week, the bulk of the unlisted stock trading in Montreal has been carried out in the Curb market and buyers and sellers are now assured of obtaining the best prices prevailing at the time. In due course, the Curb will trade in a wider list of mining stocks. It is hoped that this action will serve to increase the interest in Montreal in Canada's mineral resources.

The Curb commenced trading in eighty-seven issues of which twenty-one were miscellaneous industrials, seventeen were public utilities, twenty-two were bonds and twenty-seven were mining stocks. Several members of the Montreal Mining Exchange have purchased seats on the Curb.

CANADIAN WESTERN LUMBER

Canadian Western Lumber Company, which includes the Columbia River Lumber Company, show 15,360,285 ft. of lumber manufactured during the month of July, 1926, as compared with 11,774,420 ft. in July, 1925. Lumber sold is shown at 11,885,960 ft. at a price of $282,291 during the month of July, 1926, compared with 9,016,868 ft. at $207,523 in July of the previous year. The aggregate lumber manufactured from Jan. 1 to end of July was 89,954,081 ft., an increase of 19,427,399 ft. for the same period a year ago, and the aggregate lumber sold during these months was 90,946,226 ft. at $2,178,629, as compared with 64,786,889 ft. at $1,570,075 in the same period last year.

FORD OF CANADA BREAKS

NEW YORK.—A decline of 68 points in the shares of the Ford Motor Company of Canada on the New York Curb market last week caused wide-spread comment in Wall Street. The fact that this break occurred on a total turnover of only 100 shares made the movement all the more spectacular.

This stock, one of the highest-priced dealt in on any security exchange, is always sensitive, but rarely ever has it fluctuated as sensationally as last week.

RUDDY MANUFACTURING CO.

BRANTFORD.—President Joseph Ruddy, at the first annual meeting of the Ruddy Manufacturing Co., since the Ham Bros.'s plant was taken over, reported to the shareholders that not only had their high mark been reached, but that business was slightly in excess of previous records.

STATISTICAL SOCIETY MEETING

There having been organized in Montreal the Canadian Statistical Society with the idea of bringing about co-ordination and co-operation in the work of statisticians throughout the country, a meeting has been called to discuss the formation of a Toronto branch, by Professor Michel of McMaster University. It will be held at the university on the evening of Wednesday October 13. All those interested in statistics from an academic, financial or commercial standpoint are invited to attend to discuss the advisability of a national organization along the lines of the statistical bodies of Great Britain and the United States.

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Public Utilities

MANITOBA MINES AND FORESTS MEAN BIG POWER MARKET

President McLimont Discusses Future of Electric Industry

WINNIPEG.—A. W. McLimont, president of the Winnipeg Electric Company and the Manitoba Power Company, addressed a gathering of about six hundred young business men of Winnipeg on the occasion of the annual meeting of the young men's section of the board of trade. The subject of his address was: "What is the Value of Winnipeg to You?" Before proceeding to answer this question, he went back to the early days of the city, stating that the young men had built the city into what it is to-day. At that time all of Winnipeg's future was based upon geographical location as the gateway of the great country to the West, making Winnipeg the natural distributing centre. This position was held for many years, but changes in transportation had developed other avenues of distribution, which had shifted somewhat to prairie cities and to Vancouver. Winnipeg has now developed to a stage where it must turn in some other direction for its next step forward.

Mr. McLimont then went on to speak of the natural resources of the province, and stated his opinion that these were the factors which were going to enter into the future life of the city and be one of the answers to the question: "Of What Value is Winnipeg to You?"

Regarding minerals, the speaker stated that to his knowledge there were four companies sufficiently satisfied with the holdings in the mineral areas, to warrant the investment of a great amount of operating capital, and he anticipated that in 12 to 18 months there would be 1,000 to 1,500 electric horse-power used for mining operations. He also referred to the development of the pulp and paper industry in Manitoba and predicted that within three or four months, Manitoba newspapers would be printed on Manitoba-made newsprint.

Coming to the city of Winnipeg, Mr. McLimont referred to the large construction program carried out this year, mentioning the Memorial Boulevard and the Hudson's Bay store. He stated that within the past four or five years approximately seventy million dollars had been spent in the province in construction work. which he considered a very good expression of faith in Winnipeg.

The development of the Great Falls power site was referred to by the speaker, who stated that the highest expectations were being realized. Contracts had been signed during the past nine months for over one million dollars' worth of power annually from that plant. He predicted that within four years every horse power of that plant would be sold, and went on to say that he had plans being developed for another power plant of greater capacity than any of the plants at present serving Winnipeg.

Speaking of inducements to bring industries to Winnipeg, Mr. McLimont stated that nothing would do this better than adequate transportation, economical power, good living conditions, satisfactory government, fair treatment of investment and a friendly public sentiment, all of which Winnipeg would be able to offer.

Duluth-Superior Gets Right to Eight Cent Fare

The Minnesota Railroad and Warehouse Commission has filed an order giving the Duluth Street Railway a valuation of $5,291,710, which is understood to be as of Dec. 31, 1925, upon which they have decided that 7½ per cent. would be a fair return. To provide this return the commission has fixed a cash fare rate of 8 cents, with provision for purchase of five tokens for 35 cents. It is understood that the new rates will come into force practically at once. The company has been operating on a 6 cent fare.

This ruling by the Minnesota Railroad and Warehouse Commission would appear to be thoroughly favorable to the Duluth-Superior Traction Company. Not only is the valuation of the property increased by approximately $280,000, but the fare is fixed at 8 cents cash, or 5 tokens for 35 cents, equivalent to 7 cents per token. This is substantially higher than the 6-cent fare on which the company has been operating.

Public Utility Earnings

EAST KOOTENAY POWER

August—	1926	1925	Increase
Gross	$37,013	$31,621	$5,391
Oper. exp.	7,834	8,874	x1,039
Net	$29,178	$22,747	$6,431

x—Decrease.

WINNIPEG ELECTRIC COMPANY

August	1926	1925	Increase
Gross earn.	$416,048	$ 388,939	$27,108
Oper. exp.	310,750	295,505	15,244
Net earn.	$105,297	$ 93,433	$11,864
8 mos. end. Aug. 31—			
Gross earn.	$3,614,239	$3,468,892	$145,346
Oper. exp.	2,555,254	2,544,244	11,009
Net earn.	$1,058,985	$ 924,648	$134,336

BARCELONA TRACTION

August	1926 Pesetas	1925 Pesetas	Increase Pesetas
Gross earn.	6,901,185	6,576,995	324,190
Oper. exp.	2,598,239	2,416,120	182,119
Net earn.	4,302,946	4,160,875	142,071
Aggre. gross from Jan. 1	59,692,309	56,695,033	2,997,276
Aggre. net earn. from Jan. 1	38,787,308	37,380,435	1,406,873

JAMAICA PUBLIC SERVICE

August	1926	1925	Change
Gross earn.	$ 51,811	$ 52,191—	$ 380
Net earn.	21,151	18,303+	2,848
Surp. after charges	15,021	11,980+	3,041
12 mos. end. Aug. 31,	1926	1925	
Gross earn.	$642,010	$604,903+	$37,107
Net earn.	248,052	211,409+	36,643
Surp. after charges	172,830	130,893+	41,937

Twin City Fails to Hold Confidence of Investors

Twin City has eased again this week. It is now more than 10 points below the high of the year. People who are in touch with the company's affairs declare that earnings and prospects warrant a higher price and explain that there is evidently undue apprehension on the part of the investing public as to the company's ability to maintain earnings in view of public supervision and the competition of automobiles. A new scale of fare came into effect at the beginning of the current year which was expected to so bolster earnings that a 6 per cent. dividend would not be long delayed. Earnings, on the contrary, have been disappointing, falling substantially short of estimates, and although the rate was raised to 5 per cent. no further upward revision is in prospect at this time. It is understood that while results have been somewhat disappointing, yet a moderate increase over 1925 earnings has been shown, and the present dividend appears to have been fully earned.

Hamilton Railway to Order Twenty-four New Cars

HAMILTON.—Answering questions as to what progress is being made with the various improvements to the street railway system provided in the agreement reacted between the city and the company last spring, Geo. E. Waller, general manager of the Dominion Power and Transmission Company stated that there were now ten busses in operation on the Cannon St. and Main St. routes and that orders for twenty-four new street cars would be placed within thirty days. Work of relaying the tracks on King St., East, was completed to-day and the work on Barton St. between Ottawa St. and Kenilworth Ave. will be finished soon. The company has purchased all the land necessary for the erection of the new car barns and all that is holding up the spending of approximately $300,000 upon these buildings is the closing of part of King William St. by the city.

C.N.R. Operating Return Continues to Improve

MONTREAL.—Increased earnings and a decreasing operating ratio are shown in the financial statement of the Canadian National Railways, which deals with the summary of earnings and expenses for August, and also with the summary of results for eight months of 1926 in comparison with similar periods from 1922 and covering the years of the amalgamation of the system.

During August, the net earnings increased by 21.07 per cent. in comparison with August, 1925.

Net earnings for the first eight months amounted to $20,828,074, as against $8,385,691 for the first eight months of 1925, an increase of $12,442,382 for the current year, equivalent to a gain of 148.38 per cent.

The favorable development of the operating ratio is shown by the following summary of the net financial results during the similar eight-months periods of five years:

	Net Earnings	Operating Ratio
1922	x$1,119,111	100.79
1923	5,080,237	96.79
1924	3,828,364	97.43
1925	3,385,692	94.28
1926	20,828,074	87.44

xDeficit.

Southern Canada Sells Employees

MONTREAL.—The Southern Canada Power Company recently offered some of its preferred shares to its employees. In all, subscriptions for 614 shares were received. Over 86 per cent. of the staff of the company subscribed for over $60,000 of stock on the time-payment plan. Other stock offerings have been made previously to the employees.

Build New Alcohol Plant

SOREL.—Construction has been commenced here at the plant of the Quebec Industrial Alcohol Company. Molasses, which will constitute the chief raw material, will be stored in five steel tanks, having a total capacity of 3,600,000 gallons. The continuous still, which is being installed, will be capable of producing 9,000 proof gallons a day.

SHAWINIGAN NET EARNINGS GROW FASTER THAN GROSS

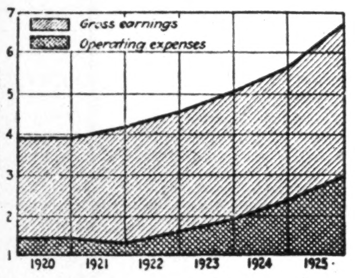
Constant Plowing Back of Earnings Preferred to High Dividend

The recent flotation of a three-million-dollar issue of refunding bonds by the Shawinigan Water & Power Company calls the attention of the Electrical World, New York, to the strategic position occupied by the company in Quebec's industrial development. Supplying light and power to more than 125 cities and towns in a rapidly developing area, the company promises to expand accordingly.

Shawinigan has shown a steady rise in earnings during the past ten years. Gross earnings last year were $6,702,034 and net $2,016,338, after deducting operating expenses and taxes and making allowance for depreciation to the extent of $350,000. Dividends required $1,676,250, leaving a balance of $340,088, which brought the total balance up to $648,246. Reserves took $75,000, and there was a surplus of $573,246, from which income tax must be deducted.

Net Earnings Ratio Satisfactory

The ratio of the company's net earnings to interest charges is a satisfactory one. Earnings available for bond interest—usually figured before deductions for depreciation — were $3,700,877, and bond interest, including the present issue, was $1,544,630. Bond interest is thus being earned approximately two and two-fifths times.



SHAWINIGAN'S EARNINGS GROW FASTER THAN EXPENSES

While the dividend record has been steady and assured—it was 7 per cent. from 1916 to 1925 and 7¼ per cent. last year—it is not especially impressive, considering earnings. The point is, however, that for a period of years earnings have been plowed back into various interrelated subsidiaries which have provided a market for the company's power. Then the extraordinary growth of the company is another reason for the comparatively slow increase in the dividend rate. In eight years the capitalization of Shawinigan has increased from $15,000,000 to $25,000,000 and the funded debt from $15,358,000 to $23,148,000. There has been a constant expenditure without an opportunity for a fair return to develop on the investment.

Duke-Price Purchase Important

An important development of the past year was the decision of Shawinigan's officials to purchase 100,000 h.p. from the Duke-Price Power Company and the acquisition of a portion of the ownership of this company. This meant an increase in the company's power resources of almost 20 per cent. and will provide sources of energy totaling well over 600,000 h.p. Operating expenses at present, including taxes, are about 45 per cent. of gross earnings—a reasonably low operating ratio, although some companies with hydro generation and carrying on chiefly a wholesale business have operating ratios as low as 30 per cent.

Shawinigan's subsidiaries include St. Maurice Power, Laurentian Power, Quebec Power, Three Rivers Traction Company and the United Securities Company, which in turn controls Montreal Tramways and some smaller companies. In addition to handling the sales of power developed by these to the extent of some 250,000 h.p., the company develops 260,000 h.p. from Shawinigan Falls, and to this a profitable development of about 150,000 h.p. can be added.

"SMELTERS" OUTPUT IS LITTLE CHANGED

Increased Over 1925, But Present Year's Figures Are Steady

From Our Own Correspondent.

MONTREAL.—While the production figures of the Consolidated Mining and Smelting Company for the third quarter of the current year shows handsome increases over the corresponding period of 1925, yet the comparison of the figures with the two preceding quarters in 1926 shows that there has been but little increase in the output during the year.

As compared with the first nine months of 1925, the production shows a gain in each mineral which the company produces, especially in the precious metals and in copper.

A comparison of the third quarter with the second shows a decrease of 350 tons in output of lead, a decrease of 351 tons in zinc, a decrease of 476 tons in copper, a decrease of 2,894 ounces in gold, and an increase of 247,193 ounces in silver. It will be seen that silver was the only one to show a gain over the second quarter, but this must be taken in conjunction with the fact that in the second quarter the production of silver was sharply below that of the first quarter, while production of all the other metals was higher.

The production figures follow:

In 3rd Quarter

	1926	1925	Inc.
Lead (tons)	30,307	27,140	3,167
Zinc (tons)	15,313	10,581	4,732
Copper (tons)	8,252	......	8,252
Gold (oz.)	12,357	4,118	8,239
Silver (oz.)	1,762,794	1,141,887	620,907

In Nine Months

	1926	1925	Inc.
Lead (tons)	91,572	72,822	18,750
Zinc (tons)	45,156	26,292	18,864
Copper (tons)	45,156	......	8,252
Gold (oz.)	40,083	12,297	27,786
Silver, (oz.)	5,069,153	2,737,870	2,331,283

Quarters Compared

1926—	3rd Quar.	2nd	1st
Lead	30,307	30,657	30,608
Zinc	15,313	15,664	14,179
Copper	2,791	3,267	2,194
Gold	12,357	15,251	12,475
Silver	1,762,794	1,515,601	1,790,758

More Oil at the Vulcan

CALGARY. — The Vulcan well in Turner Valley began spraying oil in increasing quantities when the bailer was run down the hole preliminary to resuming drilling.

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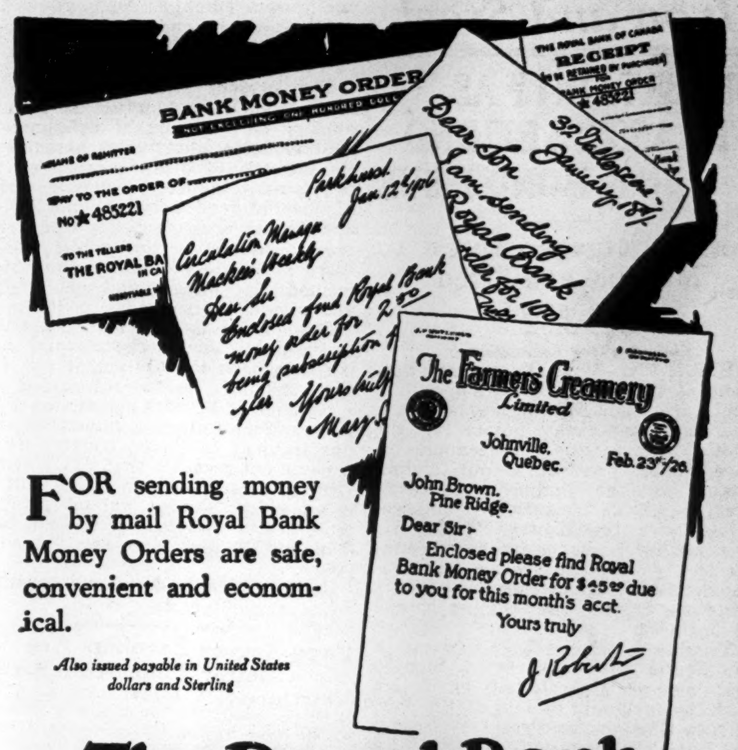
St. Regis Paper Co., Godbout, Que. Hydro-Electric Development, Transmission Line, Wood-Handling Plant.
Manitoba Paper Co., Pine Falls, Manitoba.
Ste. Anne Paper Co. Ltd., Beaupre, Que.
St. Maurice Paper Co., Three Rivers, Que.
St. Lawrence Paper Mills, Three Rivers, Que.
J. C. Wilson Co. Ltd., Lachute, Que. Conversion of drive from mechanical to electrical.
Donohue Bros. (Tidewater Mill), Murray Bay, Que.
Abitibi Power & Paper Co., Iroquois Falls, Ont.

CANADIAN COMSTOCK COMPANY LIMITED
NEW BIRKS BUILDING - MONTREAL



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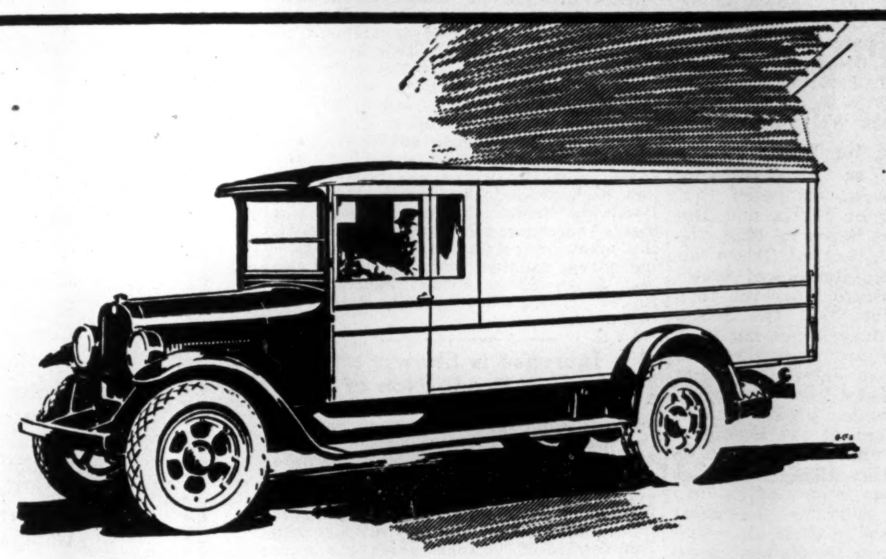
A TWO TON TRUCK TRIUMPH



Graham Brothers new Two-Ton Truck has fairly astounded those who have tried it out—and learned its low price!

Simply another reflection of Graham Brothers policy of passing on to the buyer the vast economies of mass production.

Largest exclusive truck manufacturers in the world, Graham Brothers are in a logical position to produce trucks of outstanding performance ability at unapproachably low prices.

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Iron and Steel

UNCERTAINTY AS TO ASSETS BEHIND N.S. BOND ISSUE

Does Mortgage Apply to Movable and Fixed Property?

From Our Own Correspondent.

HALIFAX.—With the ultimate outcome of the main application still in doubt, President Wolvin has both won and lost important points in the Scotia receivership proceedings to date. The president's outstanding victory was the elimination of D. H. MacDougall as prospective joint receiver with the Eastern Trust; his principal set-back, the failure of counsel to break the injunction restraining Scotia from disposing of its assets otherwise than in the ordinary course of business.

Trouble, which has been brewing in the Scotia camp for many months first came prominently to public notice with the onslaught of Don. C. Sinclair, of New Glasgow, on President Wolvin and Besco's management of the affairs of Scotia at the last annual meeting of the Nova Scotia Steel and Coal Company. Finally, came the restraining order, and now the application for a receivership by the Eastern Trust, acting as trustee for the bondholders, on the ground that the security is in jeopardy.

The argument between C. B. Smith, K.C., for the Eastern Trust, and Stuart Jenks, K.C., and Eugene Lafleur, K.C., of Montreal, for Scotia, centered on the questions of (1) jeopardy, (2) personnel of receivership, (3) extent of property to be regarded as security and (4) directions as to operating receivers' certificates. Mr. Smith argued that affidavits on hand showed jeopardy through undue deterioration of property regarded as security. Mr. Lafleur held that if the whole plant deteriorated it would not necessarily indicate jeopardy.

Stuart Jenks, K.C., objected strongly to D. H. MacDougall as joint receiver on the ground that the former vice-president is still under contract with Besco and receives a large retainer yearly. He would thus, counsel claimed, be attempting to serve two masters. His argument along this line finally carried, and the Eastern Trust intimated that it would not press for the appointment of Mr. MacDougall.

What is Security?

Scotia counsel argued that security for the bonds consists only of the fixed assets of the company, consisting mainly of mining properties at Sydney Mines, and steel plants at Sydney Mines and Trenton.

The Eastern Trust contention was that the bond mortgage contains a floating charge which on default. would attach to moveable as well as fixed property of the company; in other words would be attachable to such assets as coal and steel, bill and accounts receivable, cash and holdings in other companies,—the principal of the last named being the Acadia Coal Company and the Eastern Car Company.

Two important documents submitted to Judge Carroll during the hearings were affidavits by Don C. Sinclair and President Wolvin.

Criticism for Besco

Mr. Sinclair, as a petitioning shareholder, declared his belief that since the merger of Scotia and Dominion Steel into Besco in 1920, the directors and officers of Besco always sacrifice the interests of Scotia to those of Dominion wherever they come into conflict; that the Scotia steel plant at Sydney Mines has been practically abandoned since the merger and allowed to deteriorate; that 60 per cent. of the iron ore mined from joint properties at Wabana is sold to the account of the Dominion corporation and only 40 per cent. is credited to Scotia; that Besco has never invested any money of its own in any of the merging companies other than to receive their share securities in exchange for its own share securities; that the Scotia bondholders were never consulted either as to the merger or the subsequent management by Besco; and that Scotia has been lending monies to Besco or some of its constituent companies, without the authority of the charter. He concludes with the petition for a Receiver to prevent the further depreciation of the security and to revive the industry if possible.

President Wolvin, in his counter affidavit, makes a general denial of all Mr. Sinclair's allegations, except some which he admits to be true, but explainable.

For instance, he says the reason the Sydney Mines steel plant was abandoned was that ingots and other materials required by the Scotia mills at Trenton could be supplied more cheaply by Dominion Steel than they could be manufactured at Trenton; also that the Scotia iron mines at Wabana were only surface pits and practically worked out at the time of the merger; that the Besco sales organization has been conducted at a greatly reduced expense, as compared with the outlay when Dominion and Scotia each maintained a separate sales department; that the curtailed operations at the Trenton plant are due solely to lack of market demand for its products; that any attempt by Scotia to compete in tie plates and steel bars can lead only to further financial loss; that Besco directors have never attempted to dictate the policy of Scotia directors and have never discriminated in favor of Dominion against Scotia where the interests of the two subsidiaries conflicted; that large blocks of bondholders have protested against the present receivership application; and finally, that he is convinced that if the present management is allowed to continue to the end of the year, Scotia will show an operating profit.

Old Feud in Evidence

The present situation appears to arise from a combination of genuine anxiety on the part of bondholders; New Glasgow community alarm over the threatened disappearance of the town's main industry: and a recurring of the old feud between the Wolvin and MacDougall factions which has been dormant, to the public eye at least, since the president's supporters pushed Mr. MacDougall out of the vice-presidency some years ago.

One of the interesting revelations to the public during the present hearing, has been the statement put forward that Mr. MacDougall still draws a retainer of $10,000 per annum from Besco. This follows a somewhat similar incident in Pictou county where it came out recently that Col. Thomas Cantley has also been in receipt of a somewhat similar annual retainer from Scotia, although he has not been manager of that company for some years.

Judge Carroll's decision is awaited with keen interest.

Page-Hersey Earnings Are Better Than Anticipated

Earnings at a higher rate than the $6.60 per share on the common forecast at the time of the financial reorganization some months ago are anticipated for the current year for Page-Hersey Tubes, Ltd., and the shares have been selling close to 50 and 110 for the common and preferred respectively. The common has been established on a $3 dividend basis. The company has an outstanding capitalization of $2,000,000 6 per cent. bonds, maturing in twenty years; $3,000,000 7 per cent. cumulative convertible preference stock and 111,120 shares of no par value common. The preferred is convertible into common on the basis of two shares of common for one of preferred. At the present rate of progress the convertible feature may be expected to come into play at no distant date. The company is experiencing exceptionally profitable business, and enjoys a steadily widening market for its products both in and out of Canada.

Algoma Steel Corporation as a Community Builder

SAULT STE. MARIE.—C. H. Speer, of the Algoma Steel Corporation, addressing the Kiwanis Club on the importance to the town of the steel company, said that the yearly average of employment for the six years was 1,747, and that the maximum in any one month ranged between 2,055 and 2,634.

The company, Mr. Speer pointed out, entered the field 25 years ago, with two small blast furnaces, two 5-ton Bessemer converters and a mill with a daily capacity of 750 tons of rails, to be rolled for transcontinental lines. In 1908 and 1913, open hearth furnaces were added and the rail mill changed to produce 1,200 tons. A merchant mill with 12-in. and 18-in. diameter was built and also a billet mill. One hundred and ten coke ovens were constructed to supply fuel to the two existing blast furnaces and a new No. 3 furnace.

With the war came the abandonment of the Bessemer products, the construction of 50 additional ovens, another blast furnace and more open hearths. From an original capacity of 200,000 tons annually, the plant has grown to 500,000 tons. Mr. Speer proceeded to detail the products and problems of the company.

Dominion Bridge Outlook Considered Excellent

From Our Own Correspondent.

MONTREAL.—The shares of the Dominion Engineering recently made a big advance on the unlisted department of the Montreal Exchange. This is due in part to the activity in the pulp and paper industry in Canada which has brought more and more orders to this subsidiary of the Dominion Bridge Co.

The strength in the subsidiary was naturally reflected in the stock of the parent company which has broken into new high ground. The business of the Dominion Bridge Co. has undergone a decided improvement this year and with the many industrial developments taking place, coupled with the big Montreal South Shore Bridge contract, its future prospects are logically considered to be excellent.

Big Increase is Shown in Production of Steel

The August survey of iron and steel production in Canada shows that cumulative production of iron amounted to 496,000 long tons, a 47 per cent. increase over 1925. This output consisted of 66 per cent. basic iron, 25 per cent. foundry iron, and 9 per cent. malleable iron. During August the production of coke pig iron totaled 58,000 tons, which was more than double the corresponding output in 1925, but was 13 per cent. below the July figure. No additional furnaces were blown during the month, and none were banked down or shut, so the number remains unchanged. Active furnaces had a daily capacity of 2,000 tons, which represented about 41 per cent. of the total capacity of all blast furnaces in the Dominion. Reflecting the lower output of pig iron, steel production fell 30 per cent. from the July figure, amounting to only 45,000 tons. Production for the first eight months of the year still shows an improvement over last year, amounting to 541,000 tons, as against 471,000 tons in 1925. Pig iron prices were again lower in August, No. 1 foundry at Toronto being quoted at $24.80, and No. 2 at $24.30, as compared witth $25.80 and $25.30 respectively in July. Montreal prices were $27.20 for No. 1, and $26.70 for No. 2. The index number for iron and its products, based on prices for the beginning of the month (1913 prices—100) was 144.2, as compared with 143.7 in July.

"Bridge" Starts Erection

MONTREAL.—The first steel span of the new Montreal South Shore Bridge was laid this week by the Dominion Bridge Company. The company will continue erecting spans on the south side of the river to cover the six piers which have already been completed. This work will be finished before the navigation season closes. By the middle of next summer, it is expected that the steel work from the south shore to St. Helen's Island will be completed; after that date, work will begin on the larger spans between Montreal and the island.

PRESSED METALS OF CANADA

The special general meeting of shareholders of Pressed Metals Co. of Canada, originally called for the first week in September, has now been postponed three times. The further adjournment was decided upon on Oct. 5 and present plans call for a meeting about Oct. 15.

BESCO OUTLOOK IS BRIGHTEST IN SEVERAL YEARS

Cape Breton Coal and Steel Industries Facing Better Times

From Our Own Correspondent.

SYDNEY.—From the standpoint of steady employment and keeping wage money in circulation, the Besco outlook is the brightest that it has been in several years. Conviction that Cape Breton coal and steel industries are in for a period of increasing prosperity is heightened by very encouraging statements from corporation officers not usually given to over-optimism.

H. J. Kelley, general manager of Besco steel plants, leads off with the good news that there is business in sight to keep the Sydney steel mills going all winter on at least their present scale of operation. He is followed by J. E. McLurg, vice-president, who says that while 2,000,000 tons of Nova Scotia coal have been shipped up the St. Lawrence, the buyers there were asking for 150,000 tons more which could not be supplied because the mines had reached their output capacity with all available miners working. Possibly there would have been enough coal for the additional St. Lawrence demand but for the very brisk bunker business that has been carried on here all summer, due in part to the British strike.

Mr. McLurg made no predictions as to 1927, but reports are in circulation here that so large a proportion of next year's output has been sold that extensive coal banking operations may be undertaken this winter. If true, this will mean steadier winter work for the miners and a start towards elimination of the seasonal unemployment that has had as much as anything to do with the labor troubles of the last few years.

Finally, President Roy M. Wolvin, himself, has a message of cheer for the east. "The outlook for the steel industry in Nova Scotia is very good," he says. "It seems probable that we can continue working for the winter as we are doing now at about 65 per cent. of capacity."

Employment at the Sydney steel mills has been steadier the last few months than for years past. Without a doubt the National Trust receivership has been a boon to the employees and the district generally. Whether it has been equally profitable for the trust company is a question that only its officials can answer.

All Sydney Miners Now in the U.M.W. Membership

From Our Own Correspondent.

SYDNEY. — After a struggle lasting for several months, District 26, U. M. W. is once more back at 100 per cent. strength with every working miner in the province a dues-paying member of the union. The last holdouts to sign up were some O. B. U. men at Springhill, who returned to the fold a few days ago. This result has not been obtained without some trouble, particularly at Sydney Mines, and incidentally District President John W. MacLeod and four Sydney Mines local officers are now under bond to appear for trial before the October term of the supreme court on charges of besetting a mine and intimidation. It is charged that they took hold of an O. B. U. man at Princess pit and threatened first to duck him in a pond and later to throw him down the shaft if he did not rejoin the U. M. W.

Lake Superior Annual

PHILADELPHIA.—The annual meeting of stockholders of the Lake Superior Corporation was held recently in Camden, N.J., only routine business was transacted, the total representation at the meeting being two hundred and thirty-six thousand shares. The following directors were elected unanimously: Sidney Mason, W. H. Cunningham, W. C. Franz, Alex. Taylor, T. D. Wood, R. Home Smith, H. I. Underhill, H. C. Coleman, R. W. Childs, J. D. Jones, J. W. Gemmell, F. O. Harris. President, W. H. Cunningham; vice-presidents, W. C. Franz, Alex. Taylor and J. W. Gemmell; secretary, Alex. Taylor; treasurer, J. W. Gemmell.

COKE PRODUCTION IS GREATER

A general increase in coke production throughout Canada is reported for August. Total production amounted to 165,000 tons, an increase of 74 per cent. over 1925, and only 350 tons less than the record output for the year in February. As compared with July, the August figures show a 5 per cent. increase, distributed fairly evenly throughout Canada. Bituminous, used for coke-making, included 88,900 tons of Canadian and 160,800 tons of imported coal, giving an average yield of 66.3 per cent. During the first eight months of the year 1,258,000 tons of coke were produced in Canada, and 664,000 tons were imported. Apparent consumption was 1,880,000 tons, as against 1,330,000 tons for the same period last year.

Fall Buying Movement in Iron and Steel Products

A fall buying movement covering purchases for delivery over the rest of this year, in some cases up to March of 1927, and in a few instances, largely inquiries, up to July of next year, is in progress, says Canadian Machinery.

The tonnages named for fourth quarter delivery by industrial users are substantially the same as those bought for the past three months. Some sellers note a slight increase, while there is little record of reduction.

Uncertainty as to the probable grain yield in western Canada is causing agricultural implement makers and other manufacturers looking to the western provinces for considerable business to move warily in both specifications and new buying of supplies.

The general healthy condition of industry, however, and the favorable movement of such decisive factors as railroad earnings and building commitments are imparting a confidence to the markets which is quite noticeable after a considerable period of variable depression.

NEW STEEL COMPANIES IN WEST

Two new steel companies in Alberta were reported from Ottawa Sept. 24. They were the Maple Leaf Steel Mills, Edmonton, with capital of 40,000 seven per cent. preferred shares at $10, and 100,000 common shares at $1; and the Western Steel Co., Medicine Hat, with capital of 1,500 preference shares at $100 and 1,500 common without par value.

Claims Method to Develop the Iron Ores of Canada

That Canada can compete successfully with the world in the production of iron, is the opinion of William H. Smith, of Detroit, for 20 years an engineer connected with the Ford Motor Co. Mr. Smith, who has recently been devoting his time to a process for the reduction of iron ore, was recently in Toronto to confer with the Ontario minister of mines, and several Ontario metallurgical engineers.

Mr. Smith declares cheaper production of Canadian iron would be possible through a process which uses the carbon from waste wood instead of the coal used at present.

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NEW ISSUE

$2,500,000

Acadia Sugar Refining Company, Limited

6% First Mortgage Sinking Fund Gold Bonds

Dated July 1, 1926, maturing July 1, 1946. Principal and semi-annual interest payable at any branch in Canada of The Royal Bank of Canada, or at The Royal Bank of Canada, St. John's, Nfld., or, at the option of the holder, at the Agency of The Royal Bank of Canada New York, or at The Royal Bank of Canada, London, England. Coupon Bonds, denominations $1,000 and $500, with privilege of registration as to principal. Redeemable at the option of the Company, at 105 on or before July 1, 1930, thereafter at 104 on or before July 1, 1934, thereafter at 103 on or before July 1, 1938, thereafter at 102 on or before July 1, 1942, and thereafter at par, in each case with accrued interest. Trustee: The Eastern Trust Company, Halifax and Montreal.

CAPITALIZATION

	Authorized	Issued
6% First Mortgage Sinking Fund Gold Bonds (this issue)....	$3,000,000	$2,500,000
7% General Mortgage Sinking Fund Gold Bonds...........	1,000,000	750,000
6% Cumulative Preference Shares..........................	1,500,000	1,500,000
Common Shares..	1,500,000	1,500,000

Descriptive circular, copies of which will be supplied upon request, contains a letter from D. R. Turnbull, Esq., Managing Director of the Company, from which he summarizes as follows:

Acadia Sugar Refining Company, Limited, incorporated under the laws of the Province of Nova Scotia to carry on the business of sugar refining, etc., has acquired as a going concern the assets and undertaking of Acadia Sugar Refining Company, Limited, incorporated in 1893 under the laws of Great Britain. The business of the Company and of its predecessors has been in operation since 1879.

The Company owns a modern fireproof sugar refinery of brick, steel and concrete construction, completely equipped for the manufacture of the highest grade of refined sugar, with a daily capacity of 1,250,000 pounds, situated at Woodside, on Halifax harbour. The plant is operated throughout by electrical power generated by the Company at low cost. Its own deep water docks situated on tidewater on Halifax harbour enable it to receive raw sugars by ocean vessels throughout the year and to ship its finished product by water or rail direct from its plant. The Company also owns its own cooperage plant at Moncton, N.B., which is operated in conjunction with a modern box and barrel factory at Woodside, N.S., ensuring an adequate and low cost supply of barrels and containers for shipment of its product. All of these properties have been maintained in the highest state of efficiency.

Bonds are secured by specific first mortgage and charge on all plants, properties and other fixed assets now owned and by floating charge as to all other assets.

An annual cumulative sinking fund of 2% of the largest amount of Bonds issued under the mortgage plus interest on Bonds previously redeemed, commencing July 1, 1927, will be sufficient to retire at par, by maturity, an amount equivalent to over 70% of First Mortgage Bonds now issued.

Plants and properties have been certified by the Canadian Appraisal Company, Limited, as at May 15, 1926, as having a replacement value of $5,261,944, and a depreciated value of $4,416,058. Net current assets, after deducting all current liabilities, and on giving effect to the above transaction, as at May 31, 1926, have been certified by Messrs. George A. Touche & Co., Chartered Accountants, as $558,345.20. The combined value of fixed assets, after depreciation, together with net current assets, certified as above, exceeds $4,970,000, as against $2,500,000 of First Mortgage Bonds.

Based on annual earnings for the three years ended December 31, 1925, as certified by Messrs. George A. Touche & Co., after deducting operating and maintenance expenses and local taxes, but before depreciation, average earnings available for bond interest were at the annual rate of $579,356, equivalent to over 3¾ times annual interest of $150,000 on the First Mortgage Bonds now outstanding.

Based on actual results of operations for the first eight months of the current year it is conservatively estimated that net earnings as above for the year ending December 31, 1926, available for bond interest, will be approximately $600,000, or at the rate of 4 times annual bond interest charges.

Acadia Sugar Refining Company, Limited, does a large domestic business throughout Eastern, Central and Middle Western Canada in the manufacture and sale of high grade refined sugars. It also does a very substantial export business to Great Britain, Europe and South America.

The present financing places the Company in sound working capital position to take advantage to the fullest extent of the growing domestic and export markets for its product.

Price: 96 and accrued interest, yielding about 6.35%

Royal Securities Corporation, Limited

MONTREAL TORONTO HALIFAX SAINT JOHN QUEBEC WINNIPEG VANCOUVER NEW YORK

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

UNIC CEMENT CO. TROUBLES AFFECT QUEBEC INDUSTRY

Shareholders of "Cement" Shares Will Watch Unic's Efforts

From Our Own Correspondent.

MONTREAL.—The recent appointment of J. Paul Vermette as provincial liquidator of the Unic Cement, Limited, is of more than passing interest to the shareholders of the Canada Cement Company and also the National Cement Company. The financial troubles of the Unic Cement Company are, of course, due solely to the price war which broke out in the cement industry in the province of Quebec earlier in the year.

The creditors of this cement company which operates a small plant near Montreal meet October 1; later, the bondholders of the company will probably be called together. The company has two issues of bonds, one a first mortgage of $250,000 and the other a second mortgage of $250,000. Of these issues, there is in all about $400,000 outstanding. The preferred and common share capitalizations are $200,000 and $800,000 respectively, whilst the creditors claims amount to $175,000.

Making Operating Profit?

With cement prices at their prevailing low levels in Quebec, there have been many keen arguments about the results which the Canada Cement Company is obtaining from its Montreal East plant and the results which the National Cement Company is obtaining from its plant situated in the same town.

Some have said that both these mills are making operating expenses at present prices, whilst others say that neither can make operating costs; still others say that only one of the plants is able to meet its operating costs.

Of course, no one, other than the managements, can form any reasoned opinion on the earnings of either of the two competitors in the cement war, but it seems fair enough to assume empirically that, while at present prices the plants cannot earn sufficient to meet all the charges on the capital invested, yet probably they are both making operating expenses.

Will Still Produce

In any event, with the Unic Cement plant now in the hands of the liquidator, a better idea of the results of the substantial cut in the price of cement made earlier in the year can be obtained, for if the Unic Cement plant still continues to operate, it can mean but one thing, namely that present prices of cement in Quebec allow the producers to operate with an operating profit, but a profit not sufficient to meet the annual charges on the capital invested in the respective plants.

At the present time, there is no definite information to be obtained on the results which the Unic Cement is experiencing but, it is understood, that whilst earnings are much below the figures required to meet fixed charges, yet, they are not low enough to make it necessary to cease operating. Thus, at the moment, the expectation is that the Unic Cement will continue to operate.

Possibly, the Unic Cement property may eventually pass into the hands of the bondholders who, just as long as gross receipts are sufficient to meet operating expenses, will continue to produce cement.

Position of Companies

In any event, those interested in the cement situation in Quebec will watch closely the outcome of the troubles of the Unic Cement.

As far as the shareholders of the Canada Cement Company are concerned, they can afford simply to watch the whole thing through to its ultimate conclusion, for their company, through its other plants situated outside Quebec, is certainly making profits applicable to its bonds and its shares; then again, this company has its large investment account from which it obtains no inconsiderable revenue. Incidentally, with the general market as strong as it is at present, there are many who believe that with any chance of a conclusion to the present price war, the common shares of Canada Cement might bound up as much as 25 points, or more.

The National Cement Company, of course, is situated in an entirely different position and in operating but the one plant, thus has to stand the full brunt of the low prices prevailing in Quebec at present.

U.S.A. BUSINESS DEMANDING MORE TAX REDUCTIONS

(Continued from page 1)

year, but it will not meet until December, 1927. In the meantime, the old Congress will meet in December and carry on until March 4, when its official life is ended. In the short session, there is usually little accomplished. The Democrats hope, though, to force a tax bill through and thus get credit for the tax cuts. The Republicans will try to side-track the measure so that it will not forestall their tax reductions the following year.

In the meantime business men want further tax cuts and they don't care how they get them. They want, particularly to have the corporation tax cut. It has been raised by Mellon, although other taxes have been cut. A corporation tax cut would admittedly be a great business stimulus but, unfortunately, it would not be good politics and the Democrats know it. Somehow, the great mass of the voters like to see the corporations taxed. They don't realize that they pay these taxes eventually, anyway. However the Democrats are ready to assay the reduction in corporation taxes on a "quid pro quo" basis. Manufacturers and business men are to work up public sentiment for tax reduction and the Democrats are to slip this cut into their bill along with others of a more popular nature.

But, despite all this political jockeying, it does not look as though anything will be accomplished in the coming session of Congress. There is a heavy programme that may make it impossible to reach the question at all.

If Mr. Robb, in Canada, carries out his promise to reduce taxes further, Canadians may be able to catch up a step nearer to the Americans in the relative lightness of the burden of taxation during the coming year.

Food Products

(Continued from page 4)

ously for the past thirty-three years. Net earnings available for bond interest and depreciation last year were equivalent to over 3¾ times the annual interest requirement on the total amount of bonds to be now outstanding.

Canadian Bakeries May Pay a Dividend Soon

Commenting on the outlook for Canadian Bakeries, Edward Cronyn & Co., say: "It will not be long now until the earnings for the first fiscal year of Canadian Bakeries should be available. We do not anticipate that these will be very startling, as the company has not yet had time to put into operation those changes which will result in an ultimate material reduction of overhead. We hear, however, that the affairs of this consolidation have been prospering, and that their various plants are doing a profitable and increasing business. and we feel satisfied that with the strong affiliation this company has with the Maple Leaf Milling Company, which also controls the Canada Bread Company, its position will continue to improve and its earnings increase until such sime as to provide sufficient margin for a dividend on the common stock. The first preferred stock is amply secured. The certificate of Messrs. Clarkson, Gordon and Dilworth shows that for four and a half years before the consolidation, the businesses comprised averaged an amount which, after providing for bond interest, showed approximately 15 per cent. on the first preferred stock. This stock is therefore worth more than it is selling at to-day, 95, at which price it yields 7.36 per cent. on the investment. The common stock is a no par value stock, and while the earnings for the past year will probably not show a very large balance applicable to the common stock we think that early in the second year's business this margin will show a definite increase and a dividend should not be delayed too long."

Canada Dry July Profits Will Meet All Dividends

Addressing directors of Canada Dry Ginger Ale, Inc., at a meeting held in New York City, P. D. Saylor, president, stated that profits from the company's record-breaking sales for July alone were considerably more than enough to meet all dividend requirements on outstanding stock for the complete quarter. The company's quarterly dividend was at the rate of 50c. per share in cash, plus 1¼ per cent. extra in stock. The stock dividend was in keeping with action taken at the January meeting of the company's directors, who authorized for 1926 a disbursement of 5 per cent. in stock to be declared in quarterly instalments of 1¼ per cent. each over the 12-month period. The dividends are payable October 15 to stock of record October 1.

Packing Products Output in 1925 up $30,000,000

With no change in the number of plants operating, the slaughtering and meat packing industry of Canada registered an increase of $30,076,537, or 22 per cent., in the value of products sold in 1925, as compared with 1924. The value of output last year, amounting to $163,816,810, is the largest for any year since 1920, while the quantity of the products, as a whole, exceeds that of 1920 and each of the four following years.

There were 74 plants reporting in 1925, in which the capital investment amounted to $54,316,043. The industry gave employment to 10,709 persons, to whom $13,549,545 was paid in salaries and wages.

The value of products of the slaughtering and meat packing industry exported from Canada during the calendar year 1925 was $50,057,926, an increase over the preceding year of $14,038,824. The imports had a total value of $18,010,989, compared with $15,829,269 in 1924.

Says Orient Will Take More Canadian Wheat

CALGARY.—There was every prospect of a gradual increase in wheat consumption in Japan and in wheat imports from Canada, but at the time the increase would not be of a startling character, says George McIvor, western sales agent of the Canadian Co-operative Wheat Producers Ltd., who arrived back in Calgary from the Far East, where he had accompanied H. W. Wood, chairman of the board of trustees of the Alberta wheat pool, up to the time that the latter left for Australia.

In China he had no doubt there would be a big market for Canadian wheat provided the troubles there were settled to some extent, but even as it was, he believed that country would take a fair quantity of Canadian wheat.

Sugar Refineries Output is Increasing Again

From Our Own Correspondent.

MONTREAL.—For the four week period ending September 11 the Canadian sugar refineries made a decidedly better showing than has been accomplished for some time past. While the production took a decided step forward during the period, yet the total production for the year is still below that of 1925. However, the refineries report that the outlook for the remaining months of the year is excellent.

For the few months preceding August of this year, the sugar exports declined, but during August it is encouraging to note also that exports for the month again increased. The statistics follow:

	1926	1925
Production in Pounds		
Four weeks Sept. 11	108,048,996	89,325,686
Jan. 1 to Sept. 11	769,585,819	825,557,702
Exports		
August	36,744,600	33,378,600

FIXING OF DRUG PRICES DECLARED TO BE "COMBINE"

Has Important Bearing on Wholesale and Retail Trade

Hon. Peter Heenan, Minister of Labour, has announced the finding that the price-fixing agreements of the P.A.T.A. are in violation of the Combines Investigation Act. This follows the investigation into the affairs of the Proprietary Articles Trade Association by F. A. McGregor, Registrar of the Combines Act, and Dr. W. A. Mackintosh, Professor of Economics at Queen's University, and marks a turning point in a conflict which has been progressing the past year with regards to price maintenance in drug merchandising. The price agreements which have been the subject of investigation, became effective on the 28th of August, and affect the prices of more than 600 proprietary drug articles, handled by the 2,700 dealers which are members of the association.

The result of the inquiry has been the disclosure of "a tripartite agreement representing virtually a whole trade, initiated largely by one party for the benefit of two; enforced by all three; but unfortunately, to the disadvantage of a fourth party, namely, the public." The association has therefore been declared to be a "combine" within the meaning of the Combines Investigation Act.

The effect of this indictment upon the trade is still a matter for speculation. If any action is taken to prosecute the association, legal proceedings must be instituted through the attorney-general of each province. Sir William S. Glyn-Jones, head of the P.A.T.A. for Canada, is at present on his way to England, but it is the general opinion of the trade that the association will strongly contest the findings.

A most significant part of the report is that which indicts the P.A.T.A. on the count of artificial restraint of trade. The chief indictment is based, not upon the enhancement of prices already effected by the organization, but rather upon the artificial restraint which the system imposes on the drug business. According to the report, this restraint takes the form of a stereotyping of the distributive system, which will not permit lower prices to the consumer through reductions in the present admittedly excessive costs of distributing and selling goods. By preventing any economies of individual retailers from being passed on to the consumer, the association penalizes all experiments in lower-priced merchandising and from the point of view of evolution of merchandising methods, an irreducible minimum price, though it be based on the operating costs of the most efficient, is regarded as against the public interest.

The report also makes an interesting analysis of the modern revolution in merchandising methods. It points out that mass-merchandising methods have been following in the wake of mass-production, with the results that the small retailer has had to meet price-cutting competition on very unprofitable levels. The further declaration is made, however, that the practice is irritating rather than fatal, even where competition is keenest, and that its extent and effect are not as widespread as alleged.

Directors of the Pacific Coast Biscuit Co. declared an initial dividend of 12½c. on the common stock, payable Nov. 1, to stockholders of record Oct. 15. In addition, the directors declared a dividend of 43¾c. on the preferred stock, payable as of the same dates. The preferred dividend covers a period of 45 days, from Sept. 15 to Nov. 1.

POINT ABOUT TAX ON CHARGES SHOULD BE DEFINITELY SETTLED

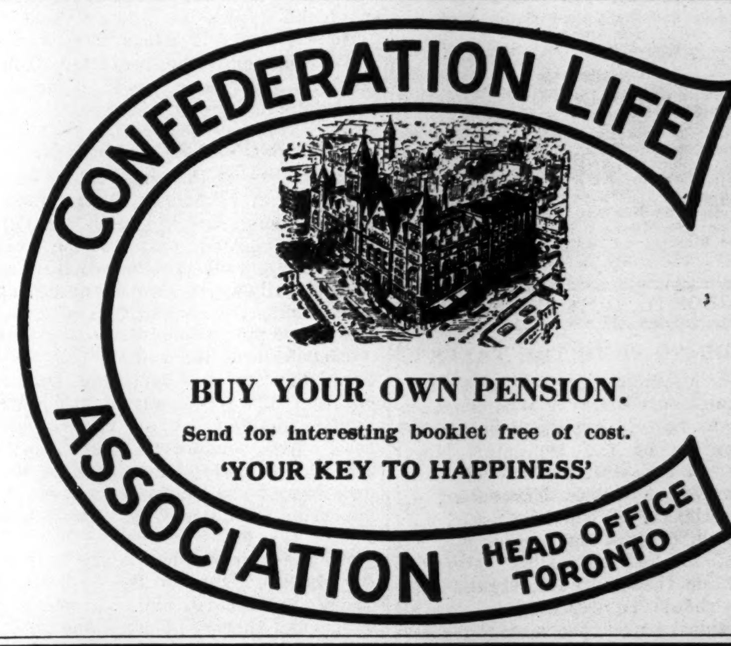
(Continued from page 1)

ties have rigidly applied the statute whenever a case of this sort has arisen, and the very fact that the municipalities have shown no inclination to meet the tax-payer half-way in a solution difficulty, has given rise to a strong desire to have the matter thoroughly thrashed out once and for all. The municipal authorities maintain that they are perfectly justified in collecting the tax because whereas the Dominion government reserves the right to tax corporation profits, the municipalities tax only the income derived from dividends. They, therefore, fear the reduction in revenue which would result if carrying charges were exempt.

A parliamentary committee has been engaged in revising the Assessment Act during the last two years, but no attempt has been made to revise this part of the statutes. It is widely felt that the next session of the legislature would do well to give the matter serious consideration. To quote a prominent broker who wrote to The Financial Post this week: "Wouldn't it be best to have parliament clear up this point at once?"

BANK OF MONTREAL

Announcement is made by the Bank of Montreal that a branch was opened on October 1, at Armley, Sask., as a subagency to the branch at Tisdale, Sask. A service of two days a week is being given.



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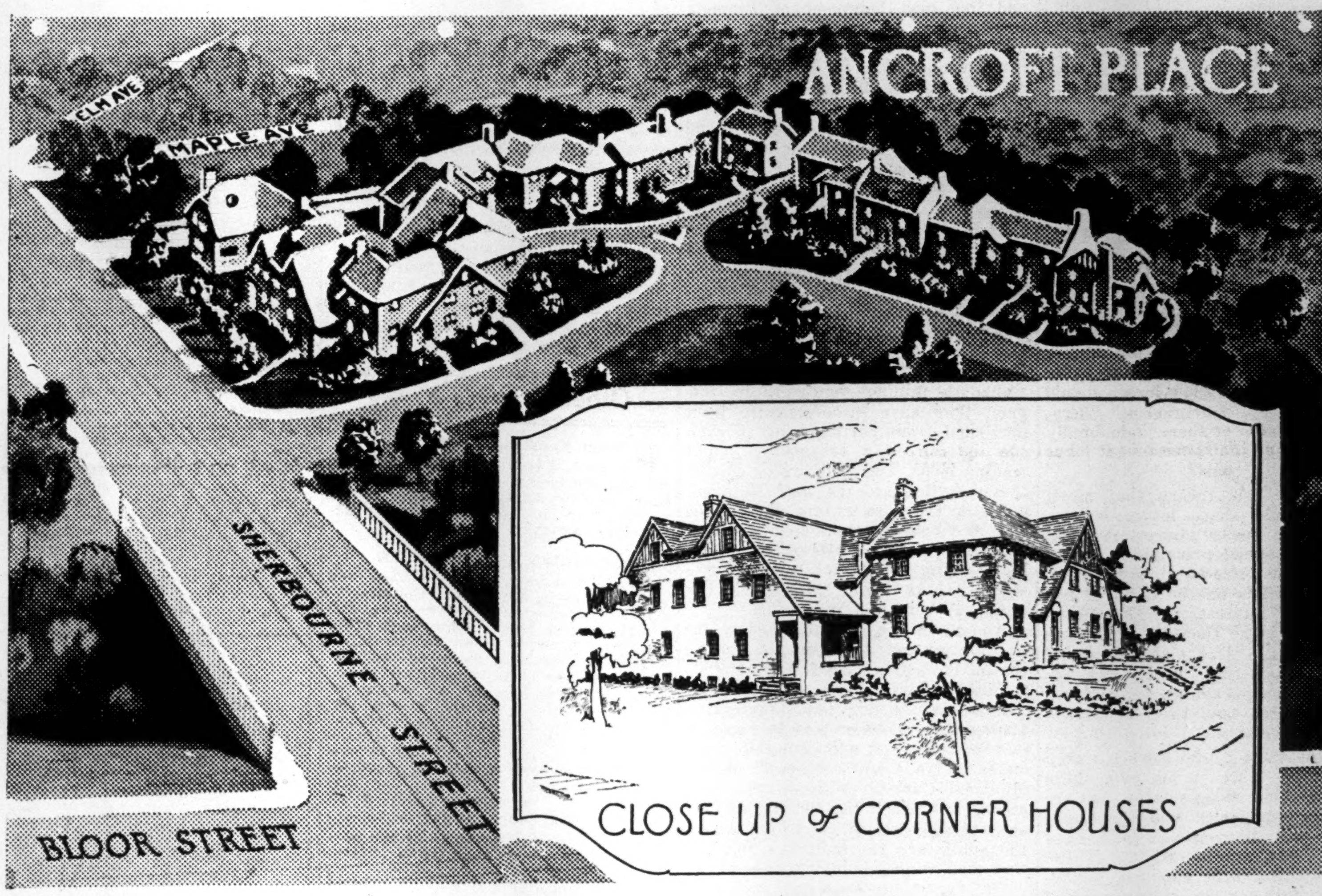

Picturesque and Modern, This Housing Plan Offers Attractive Long-Term Investment

New $300,000 Issue of 6½% First (Closed) Mortgage Bonds is Offered With Much-Needed High-Class Housing Development as Security

Increasing numbers of families in Toronto want residential accommodation with the convenience of modern apartment service. At the same time they want the privacy of the individual house and the advantages of garden land where their children may play safely distant from street traffic.

ANCROFT PLACE is to be built this winter to meet this urgent demand.

Three acres of wooded parkland fringing the north slope of Rosedale ravine at the east side of Sherbourne Street have been taken over by Ancroft Place, Limited, and construction work has commenced on a group of twenty-one private residences, artistically laid out along private crescents winding through the property.

Heating will be from a central plant; maintenance of the parkland and property will be provided for by a service staff; steam-heated individual garages will be built into each house. These homes, of varied yet harmonious treatment as to plan, elevation and detail, will be within ten minutes' drive of the business district—within walking distance of the Bloor-Yonge shopping area.

New Issue

$300,000
ANCROFT PLACE, LIMITED
6½% First (Closed) Mortgage Twenty-Year Sinking Fund Gold Bonds

Dated Sept. 1, 1926. Maturing Sept. 1, 1946.

PRINCIPAL AND SEMI-ANNUAL INTEREST. (September 1 and March 1) payable at any office of the Canadian Bank of Commerce in Ontario, or at Montreal, P.Q., at the holder's option.

DENOMINATIONS. Coupon bonds are in denominations of $1,000, $500 and $100, with privilege of registration as to principal.

REDEMPTION. Bonds are redeemable in whole or in part on any interest date on thirty days' notice at 105 and interest up to September 1, 1931; 104 and interest thereafter to September 1, 1936; 103 and interest thereafter to September 1, 1941; 102 and interest thereafter to maturity.

Trustee: Chartered Trust & Executor Company, Toronto.

PRICE 100 AND INTEREST TO YIELD 6.50%.

These bonds will be secured by a first (closed) mortgage on the land, houses, central heating plant, garage, etc., and a floating charge on all the assets and undertakings of the Company. As the value of the property on independent appraisal is $503,200, the first mortgage of $300,000 is less than 60%.

A Surety Bond has been given by the contractors guaranteeing completion of the buildings in accordance with their contract by May 1, 1927, and rental estimates, given by Messrs. Gibson Brothers, Realtors, Toronto, managers of the property, place net revenue from rentals at $32,400, after providing for full operating charges and deducting 10% for vacancies.

The offering makes available a well-secured investment at attractive interest rates over a long term. Write us for further detailed information.

Stewart, Scully Co., Limited
1004 Royal Bank Bldg., Toronto 2.
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302 Bay St., Toronto 2.
Phone Elgin 2711

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TORONTO, OCTOBER 8, 1926

ADDING IT TO THE TAXES

THE attitude of probably a great many borrowers in Western Canada was naively explained before the convention of the Dominion Mortgage and Investments Association at Edmonton, by Pete Enzenauer, U. F.A., Alexandra, when he asked why it should be that the farmer who invested his money in his enterprise alongside that of the mortgage company should be expected to lose all his capital before the mortgagee lost anything. It is not hard to understand that plausible politicians like Mr. Enzenauer have won considerable support for this theory that mortgage lenders should be willing to share the losses of the farmers, although there is no proposal that they should also share their gains.

The ideas of those of the Enzenauer school of economic thought take on a serious aspect when it is considered that they are evidently widely held by that section of the public in Western Canada responsible for the rural credits proposals before the government at Ottawa, and now likely to be given effect by legislation, having only been held up by the sudden dissolution of the previous King administration. Farm borrowers are being led to believe that their losses should be shared by mortgagees, "fifty-fifty," and many of them undoubtedly expect or hope that government loans will be on this basis.

Of course this theory that mortgagees should share losses is contrary to the most rudimentary business and financial principles. In the first place the price at which the capital is secured is on the basis of full return with interest. In the second place there is no thought of sharing profits. In the third place the mortgage companies are merely trustees for their clients—widows and children in many cases—and their funds are not for speculation.

For the farmer who loses his crop through no fault of his own there can be nothing but sympathy, and the mortgage companies and the banks should—and they generally have—shown every consideration. If the public credit can be employed soundly and safely for the improvement of rural credits to help the agricultural industry, such a step may well be justified. But any plan to extend loans to farmers who have failed through their own lack of experience or laziness, on the basis that losses should be jointly borne by the lender—the government—must eventually fail of its purpose and merely add to the burdens of the farmers and other taxpayers in other parts of the country.

WINNIPEG HYDRO PAYS TAXES

THOSE who contend that publicly owned utilities should pay taxes on the same basis as private business are immediately branded as the enemies of public ownership by those enthusiasts who regard anything that is not unqualified praise of their projects as malignant criticism. And yet at the convention of the Citizens' Research Institution at Winnipeg we find Dr. H. L. Brittain congratulating the Winnipeg Hydro on its public spirited policy of paying taxes to the city.

Dr. Brittain and other students of municipal economics realize that it is highly important that public business, like private business, should be conducted on certain sound lines which experience has proven to be of fundamental importance. Paying taxes it is contended by the public ownership enthusiasts is not necessary in the case of public enterprises, because it is merely taking money from one pocket and putting it in another. But how long would any big business corporation remain solvent if it did not do this very thing—keep track of various charges and costs even though they must all be paid out of one general income?

Public ownership throughout Canada will do well to follow the example of the Winnipeg Hydro and pay taxes if the people are to be given a fair chance of judging of actual results.

IT WAS NOT JUSTICE

SEVERAL old and experienced men in the public service were dismissed as a result of the Customs investigation. There was a demand for the punishment of those responsible; but in this case the punishment seems to have been imposed upon the minor victims and not on the offenders higher up. Some of the latter have been honored instead of punished.

The injustice has been corrected in the case of one good official, Harry McLaughlin, Surveyor of Customs at Montreal. But what about others—R. R. Farrow, the Deputy Minister of Customs, for example, who, according to our information, suffered brutally from influences higher up and was given the punishment that should have been imposed on them.

Honest business which pays taxes and duties must be protected from crooked politicians and dishonest importers.

SAVED ONTARIO MILLIONS

SPEAKING at the good roads convention at Edmonton, S. L. Squire, deputy minister of highways for Ontario, prophesied that within ten years there would not be ten lines of electric railway in Canada operating at a profit; the competition of buses and motor trucks would so undermine the business of the radials that they would have to stop operating. On the question of rural transportation Mr. Squire qualifies as an expert witness. His conclusions agree with others who have closely studied this question of the future of radials as opposed to rubber-tired transportation.

All these developments are indicating the soundness of the findings of Judge Sutherland and his commission when they condemned the radial railway program of Sir Adam Beck, and the good judgment of Premier Drury when he appointed that commission in the face of all the political resentment which the Hydro municipal machine could arouse. To have created another network of steel railways over Ontario in view of the growth of the modern highway carriers would have been nothing short of a financial tragedy.

GREAT RESPONSIBILITIES

THE new Montreal Curb Exchange has before it great opportunities and great responsibilities. One of its greatest of these lies in cultivating the mining field. There are many in the province of Quebec who have funds available for speculation in Canadian mining ventures. In the past, they have in a measure been precluded from participating in such speculations on a reasonably sound trading basis. They will watch closely the operations of the new Montreal Curb in order to assure themselves that the board of management deals rigorously with all attempts at market rigging and other such efforts which would result in mining the public rather than properties.

Among the objects of the new exchange, as set forth in its constitution, is included the following: "To maintain the highest standards of commercial honor and integrity amongst its members and to promote and inculcate just and equitable principles of trade and business." If the Montreal Curb lives up to the high standard which it has set up, the results so achieved will benefit not only the public and the members, but the Canadian mining industry as a whole.

SATISFACTORY TO MOST

WHILE extremists on one side say that the governmental sale of liquor amounts to a compromise with the devil, other extremists believe that prohibition or temperance ordinances are tampering with God's natural laws, yet, both prohibitionists and anti-prohibitionists agree that the operations of the Quebec Liquor Commission are worthy of commendation. Anti-prohibitionists say that the commission is bringing about real temperance in the province and prohibitionists believe that the active measures taken to reduce the consumption of hard liquor and increase the consumption of wines and beer, is a big step in the right direction.

The commission continues on its way; the consumption of wines in Quebec is increasing and that of hard liquor decreasing. A large portion of the sales of hard liquor must be purchased and consumed by visitors, rather than residents of the province.

Coupled with what seems to be a pretty general feeling of satisfaction in the province about the liquor situation, is the fact that the commission turned over net earnings to the provincial treasury during its last fiscal year of over $5 000,000. Of this sum, $3,500,000 came from the sales of liquor and the remaining sum came from licenses.

CROSS CROSSINGS CAUTIOUSLY

EVIDENTLY it is much safer to ride on trains than in front of them. During 1925, out of a total of 41,400,000 passengers carried 2,900,000,000 miles by the Canadian steam railways, five were killed and 374 injured. In other words, one passenger out of each eight and a quarter million was killed, and one out of each 111,000 was injured, and for each one billion passenger miles 1.7 passengers were killed and 128.5 were injured. On the other hand, railway trains killed 280 and injured 2,721 other persons during the year. Of those who were killed, 82 were employees, 107 were trespassers stealing rides, or walking on the track, and 81 were persons killed at highway crossings.

In the United States, for the first five months of 1926, the number of passengers killed was 41 as against 52 for the same period last year. Other persons killed by railway trains during that period amounted to 2,537, which is an increase over last year, due to the fact that there was an increase of 11½% in the number of people who were killed at highway crossings.

EDITORIAL NOTES

IS DEAN INGE un'inged?

* * *

DISCUSSION on the unsettled point as to who won the war has been varied by a new effort on the part of Germany to reopen the question as to who started the war.

* * *

IT IS estimated that American tourists spent $226,160,000 in France during 1925. The attitude of France towards the United States should be helpful in aiding Canada to divert a much larger proportion of the American tourist money to this country next season.

* * *

POINTING out that Canada spends millions more in the United States than the United States spends in Canada, the Vancouver Sun suggests that our finished paper, aluminum and the manufactured products of nickel and asbestos should have a free market in the United States, and that Washington should remove all tariff regulations to that end.

* * *

THE Government of New Zealand has introduced in Parliament a bill to provide assistance for large families with small incomes. It is proposed to pay two shillings weekly from State funds for each child in families of more than two children, until the child has reached the age of fifteen, payment to be limited to cases where the family income from all sources does not mount beyond £4 a week. There is a proviso that the allowances must be paid to the mothers, and a further proviso that the money must be used for the benefit of the children. The plan has much to commend it, but the results in actual operation will be watched with considerable interest.

Other People's Views

Want Constructive Policies

Brantford Expositor: The moral of the election is that the electors went to hear pronouncements of constructive policies and not personalities or destructive innuendo.

* * *

CANADIAN COAL POLICIES

Manitoba Free Press: Perhaps the best that can be done under the circumstances is a constant effort to lower the actual cost of transporting coal. This might be brought about by improved methods of haulage, improved methods of mining, new ideas in coal transportation, the establishment of coking or briquetting plants at the mines, etc. There is a wide field open for investigation by the coal companies, the railways and the government. Out of such investigation might come a real and economic national coal policy.

* * *

Ridiculous Ruling

Bridgeburg Review: Some of the customs rulings which come from Ottawa are ridiculous.

A local motorist had his car painted in Buffalo. When he brought it back he assumed that he would have to pay the usual rate of duty on the cost of the paint job. But no! Somebody at Ottawa has ruled that only machines can be taken out of the country for repairs and that an automobile is not a machine. Therefore, it is argued, the motorist who bought a coat of paint in Buffalo must pay duty on the value of the car, rather than on the cost of the paint. And the car was made in Canada.

It is by such rulings as these that the customs department at Ottawa pretends it is tightening the border because of the exposures in the recent inquiry.

* * *

Trade Union View

The Labor Leader: Canada should get down to brass tacks. The King Government has a good working majority, and should have no fear in offending any clique or section of the country. Canadians generally expect the new government to get busy and have a thorough house-cleaning.

The bootlegger must go. It is a blot on the good name of Canada to-day that the business is producing wealth much faster to those engaged in it than any other commercial or industrial enterprise in this Dominion.

Smuggling on the international border must be done away with. It has been growing with tremendous rapidity during the past few years, until to-day even Canadian industrial enterprises are threatened and cannot compete in the Canadian market with the prices at which smuggled goods are sold. And the smugglers can be caught if the administration of the laws of Canada are not interfered with by men of influence politically in this country.

Fifteen Years Ago

Extracts from Files of The Financial Post.

War clouds in Europe unsettle business.

Vancouver real estate booming. Lots on Shaughnessy Heights average $70 a foot.

W. T. White, general manager of National Trust Company, appointed finance Minister of Canada.

Steel of Canada common strong at 25 to 27.

Sir Robert Perks, London financier, visits Canada in connection with Georgian Bay canal scheme.

To Attain Your Objective Make a Bee Line for It

How a Young Canadian Lawyer Who Went to California Has Won the Reputation of Being "the Most Constructive Citizen" in the Far West

"If you want to get anywhere, make a bee line to get there. Don't let yourself become frightened by possible obstacles."

So advised George I. Cochran, president of the Pacific Mutual Life of California, who was born in Oshawa, moved to Toronto as a boy, studied law at the University of Toronto, practiced before the Canadian bar and went to Los Angeles as a young man. Cochran has been described as "The most constructive citizen in the Far West," according to B. C. Forbes, in Forbes, for October. He first made a wide reputation and an ample fortune as a lawyer, and then was induced to take hold of an enterprise whose business he has increased in twenty years from less than $100,000,000 to well over $600,000,000; and whose dividends he has increased tenfold.

Many men who have not contributed one tenth as much to the worth while development of the country, have become known from one end of the land to the other, says Mr. Forbes. But George Cochran is so unassuming, so quiet, so undemonstrative, so self-effacing, so unspectacular that he is unknown to the American public outside of his own territory.

Only occasionally has his name come into fleeting national prominence—as, for example, when the whole country was alarmed over the destruction wrought to Santa Barbara in 1925, and the banking powers in Wall Street, in Los Angeles and San Francisco were excited over meeting the emergency demand for millions to handle the situation.

George Cochran acted characteristically. He quietly announced that neither New York nor any other financial city need worry for a moment as he had immediately pledged $10,000,000 at 5 per cent. for rebuilding purposes, and that the financial institutions of his own city, Los Angeles, would furnish any additional amount needed. Incidentally, a new Santa Barbara has been created even more beautiful than the old.

Other examples of the ability of George Cochran to drive through to the desired end are given in his own words:

"I was consulted once about a very involved, intricate, apparently impossible problem, beset with legal difficulties. After thorough study, I mapped out a course of action to accomplish the end sought. My plan was laid before a very learned lawyer. He drew up half-a-score objections to it.

"I was again consulted, and I replied to the eminent lawyer that I was perfectly familiar with every one of the objections, but that what was urgently required was not objections, but a way out. I had presented my plan for positive action and I asked him if he could outline a better. He finally replied that, notwithstanding the objections to it, mine was the only feasible, practical plan.

"We went ahead and got the action we wanted."

Profits by Paying for Brains

When George I. Cochran obtained control of the Pacific Mutual Life Insurance Co. and set about rehabilitating the business, how did he proceed?

"The chief thing," he relates, "was to make all the people connected with the business loyal and to bring in the very best men. Lee A. Phillips, a partner in my law firm, was one of those I induced to join us, and he has had as much to do with the success of the Pacific Mutual as I have had.

"We went in for paying our people very well. If you take part of the additional money which the services of the highest-grade men enable you to earn and pay these men well, and attract other big men, surely it is good business. If you have a sound business, brainy men will earn enough to pay themselves and to yield a good profit. No one man can attempt to run a modern business of magnitude."

The head of the largest insurance company in California and the West was born in Oshawa, Ontario, in 1863, and there followed an unusual and colorful boyhood.

His mother, (Catherine Davidson), a blend of Scottish and English blood, was directly descended from the grandmother of John Wesley, the founder of the Wesley Methodist Church, and each of her sisters married a Methodist minister—she herself died only last year, at the age of ninety. His Irish father was then a young but brilliant Methodist minister, destined to become a foremost figure in Methodism. From Oshawa he was moved to Toronto when George was only four, and five years later Dr. Cochran was selected, with two others, to found a Methodist Mission in Japan.

There George spent five years full of uncommon adventures. With his father he traveled much from the family headquarters in Tokio, and was the first white boy to climb the sacred Fuji. All his experiences were not pleasant, for the Japan of that day was about as far advanced in sanitation and hygiene as Panama was when America set out to construct the canal. Vicious fleas and insects constituted a veritable plague. His mother hit upon the idea of putting him in a bag, drawing the string snugly around his neck, and making his bed on the table. But next morning he discovered that the pests had taken revenge by eating a circle around his neck just above the line of defense.

Tokio had no schools for English-speaking children. But his parents solved the educational problem by securing a German missionary to teach him Greek and a Scottish Presbyterian medical missionary to teach him Latin; a commercial college supported by the Government taught him arithmetic and bookkeeping, and his parents filled in the gaps.

Law or Hardware?

His father's work in Japan won him signal recognition. He was brought home and elected president of the Canadian Methodist Conference, the highest honor the Church could bestow. George took up systematic studies and entered the University of Toronto at eighteen.

"What are you going to do?" asked his father, when the time came to take up work.

"I want to go into the hardware business," the son promptly replied.

The father was disappointed, but consented to take the boy down to the principal hardware concern in the city, with the comment, "Having matriculated at the university, you will appreciate literary matters even if you become a business man."

That evening George went for dinner to the home of his closest chum, whose father was a very noted lawyer. "My son tells me you are going into business, into hardware," remarked the famous lawyer as they sat before the fire after dinner. "You are making a great mistake. From what I know and from what my son tells me you ought to be a lawyer. You are cut out to be a professional man. Come into my office and study law with me."

Every student who aspired to study law aimed at getting into this office. Young Cochran, therefore, was flattered. He thought the matter over carefully and next day signed "articles" for five years. His family were delighted.

Later an extraordinary thing happened. Without the slightest warning, the lawyer walked into the office one day and calmly announced: "I won't return to my office any more. I have joined the Christian Science Church and am going to England to represent them there. You can wind up the

(Continued on page 21)

ARTHUR HEWITT

During all that hectic controversy which raged in Toronto about the price of gas and what the Consumers Gas Company could and could not do under its charter, perhaps the least flurried of all concerned was Arthur Hewitt, the general manager of the company. Which indicates that Mr. Hewitt is a placid individual. Not only so but he has an inherent faith that eventually right will conquer and that those who are on the crooked path will eventually work round until they fall into the pitfalls they have themselves excavated. A more aggravating opponent for those knights of the municipal court who feel it imperative to engage in combat to justify their self-imposed mission in the interests of a frequently indifferent public would be hard to imagine. But the company and its general manager have maintained their position and the policy of the soft voice and the velvet hand have been amply justified.

Arthur Hewitt is a great believer in the future of gas as a public servant. He sees no competitor in electric power or in gasoline. All the gas, all the electricity and all the petroleum that can be brought into service at a reasonable cost can be used to advantage, he believes—and only those who have not studied what has already been accomplished in these fields would be foolhardy enough to argue with him.

If an Englishman who has been 45 years in Canada is still an Englishman then Arthur Hewitt may be so described. He has been in the service of Consumers Gas since '87 which indicates that he knows his company. And he looks forward to the time when gas bills will replace coal bills in the month-end mails of a large portion of Toronto's citizens.

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Property In The West

The West, and by that we mean British Columbia in particular, is developing rapidly. Property values in Vancouver shows a steady upward trend.

While we do not recommend speculative investment we DO recommend revenue producing purchases which show a return now and increase in value at the same time.

We shall be glad to give details of various properties, both business and residential, which are available through us.

Pemberton & Son
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

British Columbia

4½% Gold Bonds

Dated June 29th, 1926. Due June 29th, 1930-1949

Principal and half yearly interest (June 29th and December 29th) payable in Canada also in United States gold in New York.

Denominations: $1,000.

Assessed Value of Property for Taxation Purposes	$820,407,268
Total Debt of the Province including this issue	$ 97,546,981
Sinking Funds	14,256,954
NET DEBT	$ 83,290,027

Population, 1921 census—524,582. Area—355,855 sq. miles.

British Columbia ranks third in size among the Provinces of Canada, and its natural resources make it one of the wealthiest. It contains coal in almost unlimited quantities, while the total stand of timber is officially estimated to be more than 360,000,-000,000 feet, board measure. The Province also possesses vast wealth in the form of precious metals and has abundant fishery resources.

PRICE: RATE TO YIELD 5%.

Full particulars on request.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

German Bonds

I am holding some German bonds; they are German Government treasury 8's, 1923. Do you think they are worth anything now, or ever will be worth anything?

We understand that your bonds are due in 1953 at which date you will probably obtain 35 cents per million marks for your holdings.

There is something of a market for these bonds, and we believe that at the present time sellers are asking 20 cents per million marks, and buyers are only bidding 10 cents per million marks.

Dominion Iron Bonds

I hold one £500 bond of the Dominion Iron and Steel Corporation; let me have your views on this security, please.

Answering your inquiry last week on the consolidated mortgage bonds of the Dominion Iron and Steel Company, we made a mistake in telling you that the bonds of this issue which were sold in pounds sterling were guaranteed by the parent company, the Dominion Steel Corporation.

There are $11,675,253 of this issue outstanding of which $4,639,000 were issued in pounds sterling and $5,355,-000 were issued in dollar currency. It is the latter issue, and not the former, which is guaranteed by the Dominion Steel Corporation.

Brazilian Traction

I bought some Brazilian which if I sold now it would show a very small profit. Would it be advisable to hold? What are the prospects?

We have every confidence that Brazilian Traction will eventually justify an investment at its present level. On the other hand we feel, as The Financial Post has frequently stated, that the market for the time being has been speculatively advanced to a level higher than warranted by the company's present or immediately prospective earning profits. Our suggestion would be that unless you are prepared to hold this stock for some years it would be advisable to take your small profit now. In offering this advice we would like to qualify it by saying that, of course, in regard to a speculative stock like Brazilian, no one can foretell with any degree of certainty what course the market may take.

Pure Food Stores

Inquirer, Toronto.—Will you kindly tell me if there is any foundation to the rumor that Pure Food Co., of Montreal, may be taken over by Loblaws. I have some shares of Pure Food common, and have been advised to hold on this ground.

The situation in Pure Food Stores is that an option has actually been given for control of the company, by way of a marked counter cheque for $25,000. This option expires on Saturday, October 2. It is denied that Loblaws are behind the deal; in fact, Mr. Loblaw has denied any connection with the matter. Noads are rumored to be interested, but here again there is no sound basis for the rumor. A bond house associated with the financing of Pure Food Stores are advising their clients to hold on to their stock at present.

Wayagamack Bonds

I hold, among various mortgage investments, $1,000 in 6½ per cent., 1930 bonds of the Wayagamack Pulp and Paper Co. Let me have your views on this as an investment. I am a business man.

Your Wayagamack bond looks an excellent investment for you. It is a short term issue and earnings of the company last year available for bond interest amounted to $917,726. From this was deducted the interest on the first mortgage bonds amounting to $356,811. Your issue of bonds naturally ranks after the first mortgage issue, but at the end of last year the company's earning capacity was largely increased by the addition of a 200 ton newsprint mill. Thus, earnings during the current year will show a large increase. Moreover, the company by not paying dividends on its common stock is strengthening its financial position considerably. Last year, earnings amounted to 11.2 per cent. on the common stock and this year the earnings on the common will be considerably higher than this figure.

Shipwrecked

The National Life Preserver Company of Canada through salesmen has sold a lot of stock in this vicinity. They are around once again inviting the shareholders to take two shares for each one now held at a cost of $1 per new share. They promise that within sixty days the stock will sell at $1.50 per share as a result of a sale of a block of stock which they claim has been made to some U. S. bankers for $50,000.

I should be glad to have your advice on this matter so that I may pass along the information to my clients. It would be well also if you would publish the information in your paper, for there is a general interest in the proposition here.

We have no information on this latest production of the National Life Preserver Company. However, that old-time stuff about the stock selling higher has been used since time immemorial to sell stock in the back townships. In the first place such securities do not "sell"—but are "sold." Please note the difference. Able salesmen—of a certain type—could sell the stock at $25 or $125 a month hence. There is nothing to prevent them so doing. Thus the comic promise of increased prices in two months time means little or nothing, probably nothing.

Dryden Paper

Will you be good enough to let me have a report in detail on the Dryden Paper Co. and also your opinion of purchasing this stock at the present price of $11.

Three or four months ago, the directors of the Dryden Paper Company issued a report to the shareholders, which stated that, during the two-year period ending September 30, 1925, operations, after provision for all charges, including bond interest, had been conducted at a loss of $256,-200.

For the six months' period ending March 31, 1926, the report stated that the company had made a profit of $34,875, after making provision for all charges.

As you are aware, the company is in the hands of the receiver. The company has first lien notes to the extent of $300,000 outstanding. Junior to the first lien notes, it has debenture stock outstanding to the extent of $1,100,-000. This issue constitutes a mortgage on the property and, of course, interest payments on it are included in the annual fixed charges.

Interest on the debenture stock is, of course, in arrears and, at the end of March of this year, we understand that the company had $1,146,706 in various charges to meet, including arrears of interest, before it could again pass out of the hands of the receiver.

The company has 100,000 shares of common stock of no par value outstanding.

The future of the company depends upon two factors, namely, the demand for wrapping paper in Western Canada and the demand for sulphite pulp in the United States. During the past year, business throughout the Canadian West has improved greatly and, naturally, this has been reflected in the sale of the company's wrapping paper. Its surplus production of sulphite pulp is sold in the States, and during the past year also, the market for this grade of pulp has strengthened decidedly. Thus, Dryden's earnings this year show a decided improvement. We should say, but it is only a guess, that, with continued good markets for its output, Dryden will pass out of the receiver's hands in about a year and a half.

In the meantime, we should say that the purchase of the stock is decidedly speculative. Such a speculation, though, has some attractions, for we believe that, over the next two or three years, the revival of business in the West will be maintained and the volume of business there will probably increase. Furthermore, there seems no reason to anticipate any slump in the sulphate markets of the United States. The stock is so speculative, however, we should hesitate to advise its purchase at the moment unless you go into it as an out and out gamble.

We are enclosing a complete review of Dryden Paper, which appeared in the Pulp and Paper Number of The Financial Post, September 24.

Anticosti Securities

I should like to obtain your opinion of the bonds and preferred shares of the Anticosti Corporation for investment. I am a working man.

We are hardly in a position to either recommend or not recommend such a purchase to you without knowing something of the securities which you hold. In the first place, you should lay a foundation for your investment programme consisting entirely of gilt-edged government, and possibly public utility, bonds of the highest grade. The highest grade bonds to-day sell on a 5 per cent. yield basis.

If you have laid such a foundation, you are then in a position to consider industrial bonds, such as those of the Anticosti Corporation. The bonds and preference shares of this company are secured, not only by the earnings of the corporation itself, but also through the contracts which the corporation holds with the three large pulp and paper companies who hold all the common stock in the Anticosti Corporation. The three parent companies have agreed to pay to their subsidiary sufficient sums to more than take care of the bond and preference share interest, whether the actual wood be taken from the Island of Anticosti or not. The real strength of these securities, of course, lies in the backing of the three parent companies.

The bonds compare favorably with other bonds selling on a similar yield basis, and if you are looking for a preferred stock with a good yield, Anticosti preference also looks attractive. We would say that the preferred shares are a buy for a business man.

A Woman's Investments

I would deem it a very great favor indeed if you would enlighten me on a few of the fundamentals of investment. I am really unacquainted with the whys and wherefores of purchasing stock. I should like to know also how to figure out the yield of a dividend-paying stock; and are dividends paid on the par value of the stock, or on the selling price?

Some time ago I was advised to purchase the much-talked-of Attendu Engine stock at $40 per share. I did so, but since then I have been disappointed in its action. Do you think it has any speculative potentialities, or would you advise me to sell and to purchase something more stable?

The investment programme of women should be different than that of men in the great majority of cases at least. As a rule, a man's earning power is greater than that of a woman's, and consequently he is able to purchase more speculative securities. Furthermore, many men in operating their own businesses keep in constant touch with the general trend in the business world and, therefore, are better able to estimate the possible future trend of their more speculative holdings. Thus, we would say that the average woman would be well advised to confine her investment programme to high grade bonds and high grade stocks. The former give her an assured income, whilst the latter may eventually appreciate in value. As an example of what we would term "high grade" stocks, we might quote the Montreal "Power" common stock, the Consumers Gas stock, or the Montreal Tramways stock.

On the other hand, your financial position may be such that you would be wise in investing a very small proportion of your assets in shares which are more speculative than the foregoing. If this be so, your best move would be to get in touch with a thoroughly reliable investment or stock exchange house. Your banker will gladly recommend such a firm. In fact, whatever your investment programme be, we should advise you most strongly to get in touch with reliable investment agents. After you have obtained recommendations from an investment house we would be only too glad to give you an unbiased opinion of the investments which they recommend for you.

Now as to the fundamentals of the art of investment. Before investing your money in any company, make sure that the management and the directors are men whose ability and integrity are well recognized. If those directing the operations of any company have a past record of success behind them, you can be assured that the interests of the average shareholder will be safeguarded. Then too, the fundamental position occupied by any industry naturally has a bearing on its earnings. As an example, take the stable record of the power companies as opposed to some of the other industries whose earning powers have had wide fluctuations.

Then, in considering any one industry you must know whether it does its business in domestic, in foreign or in both these markets. For instance, before investing in the shares of any newsprint company you should understand fully the basis upon which the prosperity of these companies depends. This is, of course, the ability of the public in the United States to consume newspapers. Before investing in this industry you should become acquainted with the possibility for increased consumption of newsprint in the United States. Any good investment or brokerage house will gladly furnish you with these particulars and a lot more as well as having to do with the future growth of the industry and the effect of increased production of newspapers which the public in the United States demand.

The foregoing indicates to you only some of the points which should be considered before making an investment in any one industry. Therefore, you will readily see that the future of the Attendu Engine Company depends on a great variety of factors which include competition from large interests engaged in manufacturing other types of gas engines in the United States. We should say that the shares of the Attendu Engine Company are too speculative a purchase for a woman.

Now to answer your question about yields. There are two classes of common stock, no par value shares and shares with a par value. The former class of security does not pay its dividends on a percentage basis—one, two or five dollars is paid annually per share on such stock.

Thus, a no par value common share selling at $50 on the exchange and paying $4 per annum yields the investor 8 per cent.

When the common shares have a par value, the dividends are always paid on the par value of the stock. Thus you have the Bank of Montreal paying a 12 per cent. dividend plus a 2 per cent. bonus annually and selling at $275. On each share, the investor gets $14 each year, which is equivalent to a yield of 5.11 per cent. Or take the preferred shares of the Canadian Car and Foundry Company which sell around 87 and pay 7 per cent. annually and yield the investor over 8 per cent.

The way to figure the yield on a stock is to multiply the annual dividend payments by 100 and then divide this total by the price at which the shares change hands. Thus, a stock which pays $4 annually and sells at 80 yields 5 per cent. (400 divided by 80 equals 5).

Any one who advised you to purchase Attendu Engine stock at 40 must know considerably less about investments than the average intelligent schoolboy. Therefore, you will see the need of obtaining sound advice on such matters from some competent adviser. On the other hand, if you bought the stock simply as an out and out gamble, much in the way in which you might bet, say, on a horse race, you may get a good profit on the speculation, for we understand that an excellent engine has been developed, and that merchandising strides have been made. Whether you should sell or retain your holdings depends, therefore, on whether or not you purchased the stock as an investment, or simply placed it in money which you could afford to lose.

FOLKS and Finance

"THE late Sir John Eaton was a wonder at picking men," a Toronto business man and former friend of the retail magnate stated. "In this respect he inherited one of the finest qualities of his father, who found his men in sundry places and fitted them to the jobs they could handle.

"I remember calling on him at one time when his mail order manager happened to drop in. Sir John said to the head of the mail order branch: 'Have you decided yet if you are going in for farm implements? If you have, I've got the very man for the department. He's down in the ribbons now.'

"That was the way Eaton picked them; in the strangest and most unexpected places. Another time, the store opened a new department; let us say, it was boys' clothing. It wasn't that but it was something like it. And where do you think Eaton got his man to run it? Out of the boiler room. He sent for this man and said to him 'Bill, I want you to go over to the store and get a new suit of clothes, have a bath and go out and buy a stock of boys' clothing.'

"The man made good. The first thing he did was to go down to one of the old established wholesale and manufacturing houses in the business. He said to them: 'Sir John wants me to start a boys' clothing department. I don't know anything about boys' clothing. You do. You tell me what I ought to buy and treat me properly and I'll see that your firm never loses out as long as I'm in charge of the department.' The wholesale house did their best and gave him a well assorted stock and at good low prices. Pretty soon the man knew boys' clothing inside out, but he showed common sense in getting the thing started. And Sir John showed that he was a good picker."

POST-Scripts

TO THE brakeman in charge of the observation cars on the transcontinental railways passing through the Rocky Mountains, there are put an endless variety of questions regarding the scenery, the railway and everything pertaining thereto. They naturally become both clever and adept in making their replies. On a recent trip one passenger was heard arguing persistently that the C.P.R. should operate either oil or electric engines through the mountains, as smoke was an annoyance to the passengers and obscured their view of the mountains. This was just after the train had crossed the Great Divide and entering upon the best scenic stretch on the route. The brakeman pointed out that the smoke had been "turned off" for the benefit of the sightseers. True the locomotive's stack had lost its plume. He did not immediately explain that the down grade for many miles was such that about all the fire needed was to make steam to operate the brakes.

SINCE the days of trading under the spreading buttonwood tree in Wall Street it has been said of the stock market that it always goes up when it should go down, always down when it should go up, and that you never can be sure which way quotations will turn.

Motor stocks broke in March, just before the three biggest months in the history of the industry. Then they got strong as mid-summer arrived with its accompanying sales let-down, the Wall Street Journal points out.

Anthracite mining stocks made new highs last winter, during the long, costly coal strike.

Steel stocks remained quiet during a spring of vigorous buying by railroads, building contractors and motor manufacturers, but started up sharply in the quiet summer months.

Most peculiar of all has been the behavior of stocks of New York's largest coal distributing and ice selling companies. American Ice Co. stock made its high point of the year last winter when coal was the commodity in demand, and Burns Bros. common stocks made their highs this summer when you couldn't give coal away and ice was selling like hot cakes.

SIR ALFRED MOND coined a new name for Dr. C. V. Corliss, manager of the Mond Nickel Company, when he spoke in Toronto the other day. "Protagonist of the Pre-Cambrian" is the new title for Dr. Corliss, and it is indeed well deserved.

On many occasions, Dr. Corliss has delivered addresses on the mineral wealth of the pre-Cambrian areas of Canada, and he has in that way made Canada's opportunity known to men of wealth and influence in every country.

Pre-Cambrian is a somewhat dry geological term used to describe a formation that consists of the oldest rock on the face of the globe. It is often called the mother of minerals, because most of the valuable mineral deposits are found in the pre-Cambrian. Canada is mostly pre-Cambrian, and has also the largest pre-Cambrian area anywhere.

Diversified Investments for October Funds

Our October List summarizes in concise form the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½ to about 7½%.

Write or telephone for Investment List No. 4.

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If you have funds available for investment at the present time, or hold securities which might be favourably exchanged for others, write us for offerings and suggestions.

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H. E. Boorman, Managing Director

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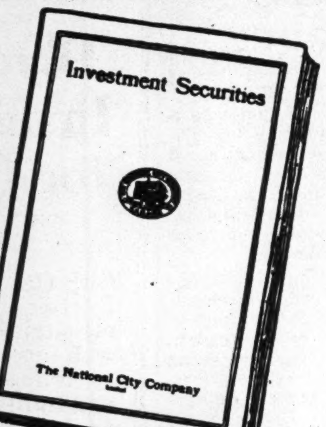

Hundreds or Thousands

Whether an investment fund amounts to a hundred dollars or runs into many thousands, the same investment principles must be applied if that fund is to be properly safeguarded.

By investing only in securities which have been carefully investigated by a responsible investment house, by diversifying his holdings, by class of security, by locality and by maturity, and, finally, by submitting his investments at regular intervals to the scrutiny of competent advisors—thus only can the investor maintain a high degree of investment security.

We shall be glad to forward each month our publication "Investment Securities" which contains a list of our current recommendations. A card will bring you a copy of the October issue by return mail.

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News of Investment Markets

SASKATCHEWAN MONTREAL POWER BIDS INTERESTING

Little Difference Between Government and Corporation Basis

With a high bid on a 5.02 per cent. basis, the Province of Saskatchewan rejected all tenders for its $2,500,000 issue. This has caused considerable comment in investment circles, particularly in view of the successful flotation of the $30,000,000 Montreal Power Consolidated issue on a basis to yield about 5.03 per cent. The point is being made that if this means that Canadian provinces and large cities cannot borrow at a lower rate than 5 per cent. it would seem that corporation bonds of high grade are providing pretty successful competition, and the Montreal Power issue would seem to bear this out.

However, there would seem to be good reasons to question whether the low price offered for the Saskatchewan issue can be taken as a definite gauge of the market. In the first place the time chosen for the offering was probably unfortunate. Bids were asked just at a time when the peak demand for money for commercial purposes was being felt and when funds were being accumulated for the October dividend distribution. The demand for funds for crop moving and for commercial purposes was indicated by the rise in the New York money rate just at that time. In the second place Saskatchewan bonds have not been so popular with investors as the issue of some of the other provinces. That province has not shown the disposition to take constructive action in regard to various municipal defaults which investment bankers and the investing public would like to see. Also there has been some disappointment that a definite sinking fund policy has not been adopted. In this connection it is pointed out that the price offered Saskatchewan was very little better than that paid for an issue of the City of St. Catharines. Alberta recently disposed of an issue by private sale in New York on a 4.96½ basis.

Power Issue Popular

The over-subscription of the Montreal Power Consolidated issue can be laid to the steady widening appreciation of the merits of sound corporation issues in general and to the manner in which investment sentiment has been created in respect of the great Holt power enterprises in Quebec in particular. In this connection the sound and intelligent attitude of the legislature of Quebec in regard to the development of power resources by private capital under government supervision and regulation is a factor the importance of which should not be overlooked. Capital is being offered for development of various enterprises in Quebec much more freely than in some, if not all of the other provinces of the Dominion.

A number of other corporation issues have come into the market and have met with a very fair reception although the softness in the stock markets has had some effect—probably temporary—in dulling the edge of the investment demand.

Lt.-Col. Carson McCormack, O.B.E., who has opened offices in Toronto to deal in government, municipal and corporation bonds and sound investment preferred stocks.

BONDS OF ACADIA SUGAR ARE SOLD; $2,500,000 ISSUE

Offering Made at 96 to Yield 6.35 Per Cent. — New Company Formed

From Our Own Correspondent

MONTREAL.—The Royal Securities Corporation is offering $2,500,000, 6 per cent., first mortgage, twenty year bonds of the Acadia Sugar Refining Company, at a price which will yield the investor some 6.35 per cent.

The new company, incorporated under a provincial charter, has acquired the entire assets of the Acadia Sugar Refining Company, which was incorporated in 1893 under the laws of Great Britain. The business has been in operation since 1879.

The plant is situated on tide water, and has its own deepwater docks; its operations are self-contained, in that it generates all its own electrical energy and manufactures its own boxes and barrels.

The company may only issue the remaining $500,000 of these books under conservative restrictive clauses contained in the trust deed. The sinking fund provides for the retirement of over 70 per cent. of the issue by maturity. Earnings during the first five months of the current year indicate that there will be available for bond interest and depreciation net earnings equal to four times the annual bond interest requirements. The company markets its output in the domestic market, and in addition, its situation enables it to do a substantial export business to Great Britain, Europe and South America.

The Issue Summarized

The particulars of the issue follow:

$2,500,000 Acadia Sugar Refining Company, Limited
6 per cent. first mortgage bonds
Dated July 1, 1926; maturing July 1, 1946.
Capitalization—

	Authorized	Issued
6% 1st mrt. sk. fd. Bds	$3,000,000	$2,500,000
7% Gen. mrt. sk. fd. bds	1,000,000	750,000
6% Cum. pref. shares	1,500,000	1,500,000
Common shares	1,500,000	1,500,000

Property—Fireproof sugar refinery at Woodside, N.S., with a daily capacity of 1,250,000 pounds and with deep water dockage. Also a cooperage plant at Moncton, N.B.

Value—The depreciated appraisal value of the assets amounts to $4,416,058, to which is added net current assets making a total of over $4,970,000.

Earnings—Averaged over the past three years and before depreciation have been equal to 3¾ times the interest requirements.

Security: First mortgage on all fixed and other assets.

Sinking Fund—Commencing 1927; 2 per cent. annually plus interest on bonds redeemed.

Offered: October by Royal Securities Corporation at 96 to yield about 6.35 per cent.

MONTREAL POWER ISSUE IS QUICKLY OVER-SUBSCRIBED

Confidence in Quebec Utilities Demonstrated by Investors

Public confidence in the future of the enterprises known as Montreal Light, Heat and Power Consolidated was again demonstrated this week, when the offering of $30,000,000 5 per cent. bonds was quickly over-subscribed. The subscriptions were so much greater than the amount of the issue that it was necessary to scale down the allotments, particularly to the larger subscribers. The price was 99.50 to the public, showing a yield of over 5.03 per cent. The bonds were offered simultaneously in Canada, the United States and abroad. In Canada, the offering was by Wood, Gundy & Co., Aldred & Co., and the Royal Bank.

In connection with the new financing interest attaches to the statement of the company's earnings for the first half of the year. The net amounted to $4,524,760, which is equivalent to the rate of $9,049,520 for the year. The latter figure represents a very satisfactory increase as compared with the net last year of $8,649,367. Moreover, as the general level of business seems to be improving, there seems every expectation that the earnings of the company during the latter half of the present year will exceed those of the first six months.

There was an enthusiastic reply to the company's offer of shares to its customers. In all, 19,473 applications were received for a total of 282,177 shares. These figures include the applications of 1,275 employees who applied for 27,336 shares. Subscriptions were received from approximately 10 per cent. of the total number of customers on the books.

Originally the company figured on issuing 70,000 shares to customers. In arriving at a basis for allotment of these shares, it was figured that 18,198 customer-subscribers represent approximately 30,000 individual services. These 30,000 services, divided into 70,000 shares, would make an allotment of 2 1-3 shares per single service, and 4 2-3 shares per double service. As it is not possible to issue fractional shares, it has been decided that the most equitable arrangement under the circumstances will be to allot five shares to each double service user and two shares to each individual service.

In order to carry out this plan it will be necessary to substantially increase the original issue.

Thus, practically all subscriptions for one to five shares will be filled in full, whilst most of the subscriptions for larger amounts will receive the maximum of five shares, the majority being double service users.

$30,000,000
Montreal Light, Heat & Power Consolidated

25-year sinking fund, 5%, first refunding and collateral trust gold bonds. Dated Oct. 1, 1926. Maturing Oct. 1, 1951.

Company—Operates one of the largest utility systems in Canada, and owns over 99% of the issued capital stocks of Montreal Light, Heat & Power Co., and of Cedar Rapids Manufacturing & Power Co.

Security—The bonds will constitute the only present funded debt of Montreal Light, Heat & Power Consolidated They will be secured by trust deed constituting a first specific mortgage and charge on: fixed assets of the company, holdings of shares, bond indebtedness of subsidiary companies, holdings of preferred and common shares of United Securities, operating agreements with Montreal Light, Heat & Power Co., and Cedar Rapids Manufacturing and Power Co., and certain power contracts with Shawinigan Water & Power Co. The bonds will also be secured by a floating charge upon all the company's assets not covered by the specific charge.

Earnings—Net income for six months ended June 30, 1926, available for interest and dividends on all bonds and stock of subsidiaries was $4,524,760, or at the rate of $9,049,500 per annum.

Offered—October, 1926, by Wood, Gundy & Co., Aldred & Co., and Royal Bank. Price 99.50 and interest, yielding over 5.03%.

Granite Club Issue by McLeod, Young, Weir & Co.

A new offering will be made public next week, when McLeod, Young, Weir & Co. will offer an issue of $275,000 Granite Club Limited, first mortgage, 6½ per cent. bonds, due May 1, 1941, at a price of 99 and interest, yielding over 6.60 per cent. While this type of security is rather novel in Canada, similar offerings in England and the United States are regarded very favorably by investors on account of the good record of the clubs which have offered this type of bond. A preliminary offering of the bonds to financial institutions has already met with a very favorable reception. The Granite Club has been successfully operated for 50 years, and will shortly move into its new quarters on St. Clair Ave., near Yonge St.

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NEW IDEA BEHIND REAL ESTATE BONDS

Groups of Private Homes to be Financed on Apartment House Plan

Stewart Scully Co. this week made public offering of $300,000 first mortgage 6½ per cent. bond issue on Ancroft Place. Ancroft Place Ltd., will erect 21 high class residences equipped with a central heating system on a beautiful wooded slope on the Rosedale Ravine Drive, Toronto, situated on the east side of North Sherbourne St., immediately at the north end of Sherbourne St. bridge.

The idea behind the project is new to Toronto. It is the object of the company to afford the residents the privacy of a private home, since there will be a well kept private park attached to the homes. At the same time the houses and garages will be heated, the grounds will be maintained, etc.

The first $300,000 mortgage is a first claim on land, houses, central heating plant, garages, etc. The valuation placed on land by Frank McLaughlin, manager of real estate department. Chartered Trust is $125,000 while the valuation on houses, heating plant, etc., is $378,200. The $300,000 mortgage is about equal to approximately 60 per cent. of the appraised value of land and improvements. The annual revenue is estimated at $51,360 and the net revenue is estimated at $32,400, the interest charges amount to $19,500 per year.

Similar projects are in operation in several American cities and in Montreal where they have been a success.

$300,000
Ancroft Place, Limited, Toronto.

6½ per cent. first (closed) mortgage 20-year sinking fund gold bonds. Dated Sept. 1, 1926. Maturing Sept. 1, 1946.

Property—Twenty-one high-class residences with all modern equipment, to be erected on a plot of land comprising over three acres.

Security—A first (closed) mortgage on the land, houses, central heating plant, garages, etc., and a floating charge on all the assets and undertaking of the company.

Sinking fund—$6,000 per annum payable $500 monthly, commencing Mar. 15, 1928, plus interest on redeemed bonds.

Rental Estimates—It is estimated that net revenue from rentals, after providing for operating charges and deducting 10% for vacancies, will be $32,400.

Offered—October, 1926, by Stewart, Scully Co., Ltd., Toronto. Price 100 and accrued interest to yield 6.50%.

"Prepare for To-morrow. . . To-day," urges an investment bulletin of the Eastern Securities Company, which adds: "Money carefully invested to-day provides the means and time to fulfil your ambitions of to-morrow. Investments should be constructed on principals which make its continued success not merely a hope—but a certainty."

Hamilton Dairies Offer Preferred Issue

Announcement is made this week of a new merger effecting the distribution of milk and dairy products in Hamilton, Ontario. The new company will be known as the Hamilton Dairies Ltd., and an offering of $750,000 of 7 per cent. cumulative redeemable preference shares is being made by Denman & Co., of Hamilton. The shares, which are being offered at their par value of $100 per share, include rights to purchase an equal number of no par value common stock at $18 per share. The company is to engage in the gathering and distribution of milk and in the manufacture of ice cream, butter and other dairy products. The firms which are entering the new company are at present supplying milk and ice cream to Hamilton and the surrounding country and are making shipments of butter to points throughout Ontario and the British Isles. Production estimates, based on present individual output, are computed to be 20,000 quarts of milk and 10,000 pounds of butter per day. Distinct economies in overhead and an elimination in overlapping service are expected to be the direct outcome of the consolidations.

$750,000.
Hamilton Dairies, Limited.

7 per cent. cumulative redeemable sinking fund preference shares.

The Company—Is acquiring six milk, butter and ice cream producing plants. Amalgamating companies are as follows: Hamilton Dairy, Wentworth Dairy Co., Cloverdale Creamery, Bonnie Bank Dairy, Hamilton Ice Cream, and Caledonia Dairy.

Earnings—After providing for operating expenses, and making allowance for depreciation and income tax, but excluding interest charges, the consolidated net earnings of amalgamated companies, based on average net for the past year and a half, should be $167,849, or over three times dividend requirements on the preferred shares, and at rate of $4.43 per share on the no-par value common shares.

Capitalization—

	Authorized	Outstanding
7% Cum. Preferred	$1,500,000	$750,000
Common (no par val.)	50,000 shs.	26,000 shs.

Offered—At $100 per share, with rights to purchase at some time an equal number of no-par value common shares at $18 per share. By Denman & Co., Hamilton, in October, 1926.

Canadian National Stock For the Northern Bonds

The final plan of settlement between the C.N.R. and the holders of Canadian Northern five per cent. income bonds has been announced. The agreement reached is that the Canadian Northern bonds shall be exchanged for Canadian National stock of equal face value, bearing interest at 4½ per cent. from 1930 and repayable at parity in 1970, or after 1940 on three months' notice being given. The new stock will be guaranteed unconditionally by the Canadian government.

St. Catharines Issue to Wood Gundy on 5.03 Basis

On a yield basis of 5.03 per cent. Wood, Gundy & Co. secured the $393,684.76 of St. Catharines five per cent. debentures. Of the total $280,000 is to be used for the construction of a waterworks filtration plant. The waterworks system is operated by a commission and is in strong financial condition. The filtration plant cost $425,000 and $145,000 of this was paid out of surplus revenues. No debentures have been issued for waterworks purposes since 1916 and during that period 15 miles of extensions and 3,000 services have been laid and paid for out of revenue and all this has been accomplished without a rate increase and the present rates will be sufficient to carry the additional debt charges and the cost of operating the new plant. Net surplus last year was $33,861.

September Bond Sales

New Canadian bond financing in September totalled $55,483,924, as compared with $12,999,645 in August For the nine months ending September 30, the sales totalled $512,474,159. Following are the figures for September and for the nine months.

Municipal	$3,770,924
Corporation	51,713,000
Total for September	$55,483,924
January	$37,849,887
February	126,897,100
March	64,994,450
April	89,159,193
May	10,936,426
June	55,948,000
July	58,205,534
August	12,999,645
September	55,483,924
Total for 9 months	x$512,474,159

xTotal includes $40,500,000 of foreign issues offered in part in Canada.

Toronto Harbor Commission, which is required to utilize funds received from the sale of lands to redeem its bonds, has called for tenders for $380,000 of its 4½ per cent. debentures.

Bits About Bonds

An outstanding feature of the U. S. bond market recently has been the rise in prices of certain foreign bonds, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York. Among the principal increases are those recorded for issues of Belgium, France, Italy and Poland.

The enhancement of market values of these issues undoubtedly reflects confidence in the success of the recent efforts to strengthen the financial position of the issuing governments, the Survey continues. The exchange value of the currency of each of these countries has recovered substantially from the low levels recorded last spring and summer. And, while the continuing ability of the governments to meet their external debts is not immediately related to the exchange values of the respective currencies, the strengthening of confidence which is induced by the rise in such values is reflected in the market for the obligations of these governments payable in dollars.

* * *

With three-quarters of the year accounted for, state and municipal bond flotations have passed the one billion dollar mark. The total for the nine months of this year is $1,025,884.434 and, according to the Daily Bond Buyer of New York, is about $50,000.000 under the corresponding figure for 1925.

* * *

Advocating the purchase of high-grade bonds Kerr, Fleming & Co. suggest that those who are tempted to try for big profits consider and answer the following questions:

"How many people do you know who have actually made money in speculation—and kept it?

"Just how much would a slightly higher rate of interest add to the yearly income from the funds you have to invest? Would it be enough to warrant the risk (which comes with unsafe speculation) of losing your entire investment?

"Which is worth more to you—the satisfaction of knowing that your money is invested safely, or the 'thrills' of speculation, with the constant fear that the greater portion, if not all your funds will be lost practically over night?"

Brompton Pulp and Paper Company Limited
First and Refunding Mortgage Sinking Fund
6%
Twenty-Year Bonds
Series A
Price: 99¾ and Interest yielding over 6%
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GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

We offer
City of Edmonton
5½% Bonds
Due Nov. 1st, 1945
Interest payable May 1st and Nov. 1st
Principal and interest payable Canada and New York
Price: 101⅜ and interest yielding 5.39%
McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO

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BONDS for SAFE INVESTMENT

GOVERNMENT, Municipal Public Utility and Industrial Bonds.

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Write for List.

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Investment Securities
160 St. James St. Montreal — 330 Bay St. Toronto
63 Sparks St., Ottawa

6% to 6.50%

First Mortgage Bonds of established and successful corporations may be purchased to yield from 6% to 6.50%.

Inquiries solicited for further particulars.

F. H. Deacon & Co.
227 Bay St., - Toronto

Draw 6½%

from this growing industry, basic to Canada, which feeds the world with ever-increasing tons of news-print. *We offer*

St. Lawrence Paper Mills, Limited,

Ten Year Sinking Fund Mortgage Debentures

(Due January 2, 1936)

These debentures are made available owing to the need for expansion of this soundly established Canadian Company. Yearly the world demands from Canada increasing tonnage of news-print—the product of Canada's pulpwood and water power resources.

To meet the demand this Company is doubling its capacity, which at present is 150 tons news-print and 100 tons sulphite daily. From the expanded plant earnings available for bond and debenture interest will be approximately four times the amount required.

Write for full details of this well secured investment at 6½% yield.

Gairdner & Co. Limited

312 BAY ST., TORONTO 2, ONT.

7% UNITED FIRST MORTGAGE BONDS

STRATA OF SECURITY

Some investments are founded upon security, underlying which is other security—and still more security.

Such an investment is that which we offer—United First Mortgage Bonds.

These are the legally binding undertakings of reputable and financially responsible business men to repay the money invested.

Behind this is the security of a collateral first mortgage upon selected improved income-bearing property made by them to a Trust Company and held by that institution in trust for the bondholders.

There is in such property a security of value to nearly double the amount of the bond issue.

Beneath all this again is the guarantee of this, the selling Company, that all payments of both interest and principal will be met as they fall due.

Write us for details of recent issues

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Toronto, Ont.

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LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

7% *and* BONUS *of* COMMON STOCK

Earnings

Net earnings of this company are estimated at nearly five times the interest charges, leaving a substantial surplus available for dividends on the common stock.

Canada-West India Products Corporation
Limited

7% Five-Year Collateral Gold BONDS

Price 100 and interest, carrying a bonus of 10 shares of common stock with each $100 par value of bonds.

Circular giving full particulars on request

Kindly send me full particulars about the above issue.
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Address ______

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Municipal and Provincial Finance

TAX FREE BONDS WILL INEVITABLY RESULT IN WASTE

Warning Against Cheap Money Issued by Prof. Swanson

WINNIPEG.—An emphatic warning against the flotation of tax free government bonds was sounded at the convention of the Citizen's Research Institute by Professor W. W. Swanson, of the University of Saskatchewan. He said that the issuing of such bonds would inevitably bring extravagance in its train. The Professor briefly outlined the conditions under which tax-exempt securities had made their appearance in Canada. The stress of war-time finance, he said, had been responsible for the appearance of tax-free bonds, still outstanding to the amount of $915,000,000. The provinces had added another 75 million to that total. While understanding the conditions which had influenced governments to make these issues, Dr. Swanson denounced the principle severely.

The speaker quoted from the works of American economists, both for and against the practice, explaining the case for such issue in the United States was based on the necessity of providing cheap money for the development and expansion of the newer parts of the country. It was this, he said, which rendered the menace to Canada more acute, since here too great programmes of western development were under way. Cheap money, he declared, would bring in its train waste and extravagance. There were parts of the United States, he said, where states and counties had provided roads, bridges and all kinds of community improvements through the issue of the tax free bonds, only to find that the subsequent overhead had made agriculture unprofitable.

The first essential, he said, was to encourage enterprise and initiative, without the use of any palliatives of immediate burden such as was sought in the issue of tax-free bonds.

The development and prosperity of the west, he said, depended on creating conditions which would make agriculture more efficient, and by the maintenance of good marketing conditions and reasonable railway rates, provide a profit for the farmer. If our prosperity depended on artifically cheap money, he concluded, our economic life was unhealthy.

Alberta Raises $6,000,000 Through a Private Sale

EDMONTON. — Six million dollars worth of provincial debentures have just been sold by the government of Alberta to the New York banking house of Kuhn, Loeb & Co. at a price of 92.75, which works out to a basis of 4.96½.

The issue which has been disposed of by private sale is the second largest ever put out by the government and will provide for all the financing it will have to do until June of next year.

Of this amount $3,000,000 will be used for refunding an issue falling due Nov. 11, and the balance represents an authorization passed by the last legislature for the government's current expenditures, including a number of temporary bank loans,

Small Deficit Shown in Regina Statement

The financial statement of the city of Regina for the year ending December 31, shows a small deficit for the year of $1,252. During the year an investigation was made of the treasury department which resulted in a material change in administration and the appointing of a comptroller. The analysis of revenue and expenditure shows that civic taxes yielded an increase over estimates of $33,000, only two departments falling below the estimated revenue. Six departments reduced their expenditure below estimates to the extent of $10,000, but this was more than over-balanced by an increase of over $45,000 in other departments. During the year a new power unit which was partially financed out of revenue during the last three years was installed, at a cost of $146,790. The sum of $65,000 sanctioned by the local government board has been applied from surplus sinking fund earnings to the credit of current revenues and a balance $14,674 has been added to sinking fund investment reserve.

B.C. Fails to Enforce Probate Duty on Property

VANCOUVER. — Another apparent source for revenue has been closed to the province by Mr. Justice W. A. Macdonald, who, on the application of the executrix of the Richard Bowman estate, decided that probate duty is not payable in respect of real property.

Although probate duty had not previously been charged on real estate which passes to devisees and heirs, the attorney-general sought a court interpretation on the question whether the tax could legally be imposed. By assessing 1 per cent. probate duty on real property devised to immediate next-of-kin and 5 per cent. on similar legacies to other beneficiaries, the provincial treasury stood to gain thousands of dollars in revenue.

Mr. Clarence Darling has been retained by the crown to prosecute an appeal. The issue does not involve succession duty; but the crown sought payment of probate duty in addition.

This Week's Bond Sales

Town of Brampton

An issue of $16,000 Town of Brampton, 5%, 10-instalment bonds has been awarded to Municipal Bankers Corporation, on a bid of 98.86, or on a cost basis of 5.22%. The bids were:

Municipal Bankers Corp.	98.86
Royal Securities Corp.	98.09
C. H. Burgess & Co.	98.134
H. R. Bain & Co.	98.85
Gairdner & Co.	98.1832

Essex Border Utilities

The Essex Border Utilities Commission has sold to Bell, Gouinlock and Co., and Dyment, Anderson and Co., a block of $695,000 5½ per cent. debentures, repayable over thirty years. The bonds are issued for the purpose of completing a joint filtration plant, and constructing watermains. It is understood that they will be offered within a few days at prices ranging from 5.25 to 5.30 per cent., depending on the maturity.

Manitoba Drainage District

Clarke, Martin & Co., of Winnipeg, were the successful tenderers for an issue of $115,000 5 per cent. due 1956 Manitoba Drainage District bonds, guaranteed by the Province of Manitoba. The price paid was 99.78. The bids were:

Clarke, Martin & Co.	99.78
Wood, Gundy & Co.	99.61
McGregor, Baker & Co.	99.38
Dominion Securities Corp.	99.29

Saskatchewan Issue

The Province of Saskatchewan has rejected all bids for the new issue of $2,500,000 4½ per cent. bonds, due Oct. 1, 1946. Alternative tenders were called for bonds payable in Canada only or United States and Canada. The high bid was for Canadian payment bonds and was submitted by a syndicate consisting of Wood, Gundy & Co., A. E. Ames & Co., and The Royal Bank of Canada, this bid being 93.523, representing a cost of about 5.02 per cent. to the province.

PARISH OF ST. ZOTIQUE

L. G. Beaubien and Co. was the successful tenderer for the issue of $200,000 5½ per cent. bonds of the Parish of St. Zotique, St. Henri. The bonds mature serially from 1927 to 1956. The parish comprises 1,600 families and has a property valuation for taxation purposes of $2,984,150.

The following bids were received:

L. G. Beaubien & Co.	100.11
Versailles, Vidricaire, Boulais	100.11
La Corp. des Obligations, Municipales	98.57
Bray, Caron & Dube	97.73

CITY OF KAMLOOPS

The City of Kamlops, B. C., awarded an issue of $25,000, 5½ per cent, 25 year bonds to Bell, Gouinlock & Co. at 101.60 or on a cost basis of 5.38 per cent.

Tenders follows:

Bell, Gouinlock & Co.	101.60
Royal Financial Corp.	100.52
C. H. Burgess & Co.	100.22
A. E. Ames & Co.	99.79
Can. Financiers Trust	99.55
Royal Securities Corp.	99.53
R. P. Clarke and Co.	99.35
Victor W. Odlum and Co.	99.26
Pemberton and Son	98.53

St. Catharines Issue

The City of St. Catharines sold an issue of $393,684 5 per cent. 1-30 year debentures to Wood, Gundy & Co. at 99.65 or on a cost basis of 5.03 per cent. The bids follow:

Wood, Gundy & Co.	99.65
Murray & Co.	99.31
Fry, Mills, Spence & Co.	99.288
Dominion Securities Corp.	99.277
Can. Bank of Commerce, and Dyment, Anderson & Co.	99.16
A. E. Ames & Co.	99.15
Bell, Gouinlock & Co.	99.08
Gairdner & Co.	98.886
Burgess & Co.	98.68
McLeod, Young, Weir & Co.	98.09

Province of Alberta

An issue of $6,000,000 Province of Alberta, 4½% debentures has been sold to Kuhn, Loeb & Co., New York, at a price of 92.75, or on a basis of 4.96½%.

The issue which has been disposed of by private sale is the second largest ever put out by the Government and will provide for all the financing it will have to do until June of next year.

Of this amount $3,000,000 will be used for refunding an issue falling due Nov. 11, and the balance represents an authorization passed by the last Legislature for the Government's current expenditures, including a number of temporary bank loans, public works and general administration expenses.

UNIFORM SUCCESSION DUTIES ADVOCATED

Plan to Dispose of Multiple Taxation Discussed at Convention at Winnipeg

WINNIPEG. — Uniform legislation for the collection of succession duties was advocated before the convention of the Citizens' Research Institute, by R. M. Fisher, of the successions duty branch of the Manitoba treasury.

The proposed law calls for the payment of two taxes, the first adopting the principle of situs, taking toll of all within the province; the second to be a deferred payment on the "mobilia" principle to be paid on all real estate of the deceased within the province and all personal property, wherever situated, of a deceased domiciled within the province.

The proposed solution, Mr. Fisher said, was largely the work of S. Quinn, of Regina, who suggested that in place of the present succession duty, a uniform act be passed with the following incidences and times of payment:

(a) A primary payment to be made as a condition of the granting of probate or letters of administration, according to a rate based on the aggregate value of the estate wherever situate and applicable to all property real and personal actually situate within the province irrespective of the domicile of the deceased.

(b) A deferred payment to be made at the time of the distribution of the estate according to a rate based on the relationship of the beneficiary to the deceased, and the value of the benefit received, applicable to all real estate within the province irrespective of the domicile of the deceased and to all personal estate wherever situate of a deceased domiciled within the province.

Talk $3,500,000 Bridge for Lion's Gate, Vancouver

A $3,500,000 bridge over the Lion's Gate, Vancouver, is the offer of Dwight Robinson Co., New York, engineers. Name of Gen. R. P. Clark, head of R. P. Clark & Co., investment bankers of Vancouver and Victoria, is also associated with the project.

Eventually the bridge would become the property of municipalities around Vancouver. A sinking fund would be set up out of earnings to do this.

The Losses Continue on Winnipeg Central Heating

WINNIPEG.—Although deficits are still being shown monthly by the central steam heating plant, members of the finance committee at the city hall express themselves as optimistic of a change for the better with the coming of winter and the consequent increase in revenue. The statement for July showed a deficit for the month of $11,251, bringing the deficit for the seven months up to $25,556, and the total deficit to $115,534. The department, however, reports a good deal of new business signed up and all of last year's contracts renewed.

Tenders and By-laws

October 15—Town of Laval-sur-le-Lac, P.Q. $56,000—5%, 10 year debentures. H. Gohier, Secretary-Treasurer, 30 St. James St., Montreal.

October 16—School Commissioners of the Village of St. Joseph d'Alma, P.Q.— $75,000, 5½ per cent., serial debentures. Eugene Boivin, Secretary-Treasurer.

Oct. 19—Hull—$200,000, 5 per cent. serial 30-yr. school debentures. Joseph Provost, sec.-treas. (See announcement on page 16).

Oct. 11—County of Matapedia, P.Q.—$12,900, 5½ per cent., serial debentures. J. A. Ross, sec.-treas.

Oct. 11—Town of Lachute, P.Q.—$25,000, 5 per cent. serial bonds. John A. Rice, sec.-treas.

Oct. 11—Cobalt—$35,000, 5%, 30-yr. high school debentures. A. W. Harrington, Clerk.

October 19—School Commissioners of Shawinigan Falls, P.Q.—$50,000, 5 per cent., serial bonds. J. O. S. Brunet, Secretary-Treasurer.

October 19.—School Commissioners of Kenogami, P.Q.—$136,000, 5½ per cent. or 5 per cent. serial bonds. A. Roche, Secretary-Treasurer.

October 19—School Commissioners of Port Alfred, P.Q.—$80,000, 5½ per cent., serial bonds. J. H. Bouchard.

October 19—Village of Rouyn, P.Q.—$40,000, 5 per cent., five to ten year bonds. Wilfrid Blais, Secretary-Treasurer.

Successful Men

Keep their money actively employed where the money is safe and income assured.

Our systematic Monthly Savings Plan will enable you to invest your money while you save, thereby keeping it active.

We'll sell you a High Grade Mortgage Bond that will yield 6 to 7 per cent.

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Investment Bankers
53 King St. West, TORONTO, ELGIN 1224
136 St. James Street, MONTREAL, MAIN 8542

LAND TAX SALES BRINGING MORE FOR EDMONTON

Other Signs of Municipal Improvement Are Submitted

By Staff Editor.

EDMONTON. — At the annual meeting of the Dominion Mortgage and Investments Association, City Commissioner Mitchell presented for the interest of the big investing institutions some interesting figures regarding the present financial and physical condition for the city. He declared that in nearly every direction in the matter of increased population, building permits, improved net results of operation of utilities, increased number of water and electric services, bank clearings, tax collections and land tax sales, steady progress was being made:

Building.—Building permits for the eight months ending August 31, amounted to $1,548,925 as compared with $1,084,100 for the same period last year.

Population.—In population the most recent official figures show 66,415 as compared with 58,821 in 1921. In 1916 the interim Dominion census was 53,846. In the matter of increased population Edmonton would appear to be taking premier rank in the province.

Assessment.—The net assessment for municipal purposes for 1925 was $59,868,885 made up of land assessment—$36,688,140 and improvements (60 per cent.) $23,180,745 the mill rate being 46 mills. For the present year the net assessment is $58,840,235 with a mill rate of 44.35.

Tax collections.—During the present year the collection of taxes has been most satisfactory, the collection of current taxes amounting to $1,900,705 as compared with $1,872,347 for the eight months' period ending August 31 last year. Arrears collected show $390,268 as against $392,152 last year, while tax land sales show $124,562, as compared with $56,403 last year, these various amounts aggregating a total collection of $2,416,335 against $2,320,904 last year —an increase of $94,631 over last year for the same period. The gross tax levy including general, local improvement, business and service taxes is $3,439,000 while that for 1925 was $3,615,593. Last year the current tax collection showed fully 85 per cent. of the levy.

Utilities.—The city's public utilities continue to make an excellent showing. During the eight months ending August 31, the net combined surplus (inclusive of capital and depreciation charges) on all of the utilities amounted to $252,025 as compared with $207,265 for the same period last year, made up as follows:

	1925 Surplus	1926 Surplus
Electric light	$ 70,619	$ 84,054
Power plant	61,079	72,681
Telephone	73,060	73,054
Waterworks	34,863	40,792
	$239,621	$270,581
Less St. Rail. def.	32,356	18,556
Net surplus	$207,265	$252,026

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Bell Telephone 5's....1955
Belgo Paper 6's....1943
Belgo Paper 7% Preferred Shares.
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Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s....1930
Wayagamack 6's....1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's....1942
Windsor Hotel 6½'s...1943
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s....1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's....1941

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WHEN INVESTORS REINVEST

Investors in the first issue of Avon River Power Company 6½% Bonds, which were redeemed on July 1st, 1926, at 105, have since re-invested the funds in the new First Mortgage Bonds of this Company, secured by increased power development.

We regard this as proof of well-founded confidence in the prosperity of that section of Nova Scotia served by Avon River Power. Furthermore, we consider this a sound investment, free from wide market fluctuations, paying a yearly income commensurate with safety.

We own and offer the First Mortgage 5½% Sinking Fund Gold Bonds of this Company at

98.50 and accrued interest to yield more than 5.60%

Descriptive circular on request.

JOHNSTON AND WARD
14 King St., East, Toronto
Members Montreal Stock Exchange—Toronto Stock Exchange.

BOND MOVEMENTS OF THE WEEK

Week Ending October 5

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	High	Low
Asbestos	6	1956	7.32	..	..	85	81¾	84	83½	84	83½
Can. Bread	6	1941	5.50	105	102	106	104	..	105	105	..
Can. Canners	6	1950	6.24	96½	90	100	94	97¼	97	97	..
Cedar Rapids	5	1953	5.03	99⅛	97	101½	98¼	99½	97	97	..
Montreal Trams "A".	5	1955	5.48	98	92¼	95	92⅛	93	..	93	92¾
Do. 1st mtge.	5	1941	5.20	98	97	101½	98¼	99½	..	99½	..
Ogilvie "A"	6	1932	5.21	106	104	104	103½	104	..	104	..
Quebec Rly.	5	1939	5.54	98	89¾	95	91⅞	95	94½	95	94⅝
Wayagamack	6	1951	6.03	98¾	84¼	100¼	91¾	100	99½	99⅞	99¼
War Loan	5	1931	4.80	102.65	101.00	102.40	100.35	101.00	100.75	100.90	100.60
Do.	5	1937	4.60	104.95	103.80	104.65	103.20	103.60	130.35	103.90	103.35
Victory Loan	5½	1927	4.96	103.15	101.70	101.75	100.15	100.80	100.55	100.55	100.35
Do.	5½	1933	4.75	107.00	105.10	106.80	103.65	104.50	104.25	104.58	104.25
Do.	5½	1934	5.03	104.80	103.20	104.10	102.70	103.25	103.05	103.15	102.80
Do.	5½	1937	4.70	110.00	108.15	109.30	106.95	107.35	107.10	107.45	107.20
Do., Renewal	5½	1927	4.90	103.15	101.70	101.75	100.00	100.60	100.40	100.35	100.05
Do., Renewal	5½	1932	5.03	104.20	102.60	103.40	102.00	102.55	102.30	102.45	102.40
Do., Refund	5	1928	4.90	100.45	100.15	101.30	99.00	100.35	100.15	.....	.....
Do. Refund.	4½	1940	4.85	97.25	92.00	96.70	95.60	96.30	96.05	96.50	.....
Do., Refund.	5	1943	4.87	102.95	100.15	102.20	101.15	101.50	101.30	101.50	101.20
Do. Refund.	4½	1944	4.80	97.65	96.20	97.15	95.80	96.30	96.10	96.35	96.00
Do., Refund.	4½	1946	4.80	.....	.....	96.50	95.65	96.25	96.00	96.30	96.20

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To	Rate	Maturity	Amount	Price	Cost Basis
Municipal							
Brampton	Oct.	Municipal Bankers Corp.	5%	10-ins.	$16,000	98.86	5.22
St. Catharines	Oct.	Wood, Gundy & Co.	5%	1-30-yrs.	393,684	99.65	5.03
Essex Border Utilities	Oct.	Bell, Gouinlock & Co., and Dyment, Anderson & Co.	5½%	30-yr.	695,000	....	...
Dartmouth, N.S.	Sept.	J. C. Mackintosh & Co.	5%	20-yr.	45,000	101.25	4.90
L'Abord a Plouffe, Que.		L. G. Beaubien & Co.	5%	40-yr.	60,000	....	...
Kamloops	Oct.	Bell, Gouinlock & Co.	5½%	25-yr.	25,000	101.60	5.38
Parish of St. Zotique	Oct.	L. G. Beaubien & Co.	5½%	1927-56	200,000	100.115	....
Provincial							
Alberta	Oct.	Kuhn, Loeb & Co.	4½%	1956	$6,000,000	92.75	4.96½
Manitoba Drainage District	Oct.	Clarke, Martin & Co., Winnipeg	5%	1956	115,000	99.78	5.02

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date issued	Offered by	Rate	Due	Amount	Price	Yield
Montreal Light, Heat & Power Cons.	Oct.	Wood, Gundy & Co., Aldred & Co., and Royal Bank	5%	1951	$30,000,000	99.50	5.03%
Ancroft Place, Ltd.	Oct.	Stewart, Scully Co.	6½%	1946	300,000	100	6.50%
Stock Issues—							
Hamilton Dairies, Ltd.	Oct.	Denman & Co.	7%	Pref.	750,000	100	...

Insurance for Buyer and Seller

BENEFITS OF FIRE PREVENTION APPEAL TO BUSINESS MEN

Fire Commissioner Praises Co-operation of The Financial Post

Year by year the Canadian people are coming to a more truthful appraisal of the benefits to be derived from effectively curtailing waste by fire. The major credit for this perceptible growth of an enlightened public conscience belongs to the press of the country in its unfailing support of the fire prevention cause. Very especially is The Financial Post to be commended for its part in furthering the objects of Fire Prevention Week.

Unquestionably the observance of Fire Prevention Week should have the hearty endorsation of the business interests of Canada. Fire loss, during the past ten years, has amounted to more than $370,000,000 exclusive of the devastation wrought by forest fires. In 1925, the actual value of property destroyed by fire was $40,729,000 as compared with $45,900,000 in 1924, $48,200,000 in 1923, and $54,300,000 in 1922. If to these figures there be added the charges incidental to municipal fire protection and insurance, the aggregate fire cost in each of the past five years has well exceeded $100,000,000. Even though we are accustomed to talk glibly of money in millions, such figures cannot fail to be startling.

Big Drain on Resources

For, rich in resources as Canada undoubtedly is, such an enormous drain cannot indefinitely persist without constituting a serious handicap upon our national development. It increases the cost of everything we eat, drink and wear and very definitely adds to the cost of everything we produce for sale. Foreign countries are not so blind to their own interests as to casually and needlessly squander such staggering sums of money. In England, an annual fire loss exceeding eighty cents per capita is regarded as being inexcusable. In Canada our annual per capita loss of more than four dollars scarcely ruffles the surface of public concern.

In every phase of our economic and social life the effects of this indifference are manifest. The burning of factories throws men out of work by thousands every month, and they have to seek other channels of employment. Even more serious is the appalling loss of life by fire. Between three and four hundred persons are burned to death every year in Canada; and to the death roll must be added almost twice as many who are maimed and injured.

Waste of Life and Wealth

Ninety per cent. of the fire loss is preventable, because most fires are caused by carelessness and ignorance. Four practical suggestions that everyone can adopt, unquestionably would result in an appreciable reduction of our annual fire loss:

First, let us insist upon clean premises and a clean town. Every neglected pile of rubbish is a fire breeder, and disorder is invariably a sign of fire hazard. Fire prevention, like charity, begins at home, so let's get busy and clean up our own homes and business places. Again like charity, fire prevention is not content to stay at home, it must embrace the entire community. When we have worked out our own salvation, let us see what we can do to promote the idea amongst our friends and associates. That is the first law of fire prevention.

Second. let us learn to recognize and correct the more common fire hazards. There are about nine fire causes that, if given attention, would wipe out half of our fires. In this country, for example, we strike about 100,000,000 matches a day, and smoke enough cigars and cigarettes in twenty-four hours to stretch five hundred miles. If placed end to end. Here are two potential hazards to be constantly borne in mind. Then there are defective stove and furnace flues and pipes, defective electric wiring, overheated stoves, carelessness with gasoline, dirty and defective coal oil stoves, carelessness with coal oil lamps, sparks from dirty chimneys and carelessness with rubbish fires in the open. The list is not long for memorizing. If we make it a part of our daily thought it may be the means of preserving our homes from destruction.

Third, let us support whole-heartedly all fire prevention efforts in our community. Cities, towns and villages everywhere in Canada need better building laws, and proper ordinances for the removal of fire hazards and for the correction of dangerous conditions in buildings. Most of them need better equipped fire departments, and officials empowered to regularly inspect premises. It is to the interest of everyone to urge public action in respect to these things and so help to improve conditions in the communities in which they live.

Fourth, and most vital of all, let us see that the rising generation is trained in safety habits. Fire prevention lessons are being taught in thousands of schools throughout Canada this week. Such lessons should form part of the regular syllabus. Fifteen minutes a week devoted to the study of fire prevention will be sufficient to impress its lesson indelibly upon the minds of the young. And children, when trained, become not only watchful of their own habits but most effective tutors of their parents.

METROPOLITAN LIFE CHANGES

The Canadian head office of the Metropolitan Life announces the following changes in the field: J. A. Deneault, manager at Chicoutimi, P. Q., is transferred to Lachine, Quebec; A. O. Harwood, manager at McGill, Montreal, is transferred to Mount Royal, Montreal; C. E. Lavergne, manager at Lachine, Quebec, is transferred to Riviere du Loup, Quebec; Ludger Gregoire, manager at Riviere du Loup, is transferred to McGill; Maurice L. Lazard, assistant manager at Maisonneuve, Montreal, is promoted manager at Chicoutimi; Gaston Douchesneau, agent at McGill, is appointed assistant manager at Saint Hyacinthe, Quebec; John A. Hjelmstrom, manager at Brandon, Manitoba, is appointed superintendent at Whitman, N.Y.; Charles F. Peavoy, general assistant manager in Canadian territory, is appointed manager at Brandon, Manitoba; Thomas J. Francis, assistant manager at Brandon, is reappointed assistant manager at Brandon; A. N. Gauvin, agent at Maisonneuve, is appointed assistant manager at Maisonneuve; Romeo Plamondon, agent at Maisonneuve, is appointed assistant manager at Maisonneuve; Arthur M. Bickerstaff, assistant manager at Humber, Toronto, is appointed manager at Fort William, Ontario; Simon Dwire, assistant manager at Mount Royal, Montreal, is appointed general assistant manager, Canadian territory; J. Raoul Denault, agent at St. Denis, Montreal, is appointed assistant manager at Laval, Montreal; William C. Magee, agent at Humber, Toronto, is appointed assistant manager in same district; Rene Homier, agent at Papineau, Montreal, is appointed assistant manager at Trois Rivieres, Quebec.

BUSINESS HEADS SHOULD KNOW HOW POLICIES INSURE

Important for Insured to Read the Back of His Contract

Business men are urged to examine carefully the provisions and clauses of their fire insurance contracts so that they will be thoroughly familiar with the conditions specified in them. This warning is periodically issued by insurance companies.

As a general rule the business man buys a fire insurance policy and tucks it away without the trouble to read it. Safe in the belief that he is properly insured, he pays no more attention to his policy until the time comes for renewal. In the event there is a fire he may realize to his financial loss that one or more of the conditions required by law to be set forth in his fire insurance have not been fulfilled by him. This policyholder may have unintentionally committed some act which rendered the policy void, fully believed that he was protected against certain fire losses which are specifically excluded, or as a result of increasing values, been under-insured. In order to avoid these contingencies the business man should read his policy and understand the broad principles underlying it.

Some Things to Watch

Instead of paying for only the loss or damage sustained by fire, the insurance company may exercise the right given to it in the policy to take all or any part of the insured articles at agreed or appraised values. The company also has the option of repairing, rebuilding or replacing the property damaged with other of like kind and quality. This option, however, is not ordinarily exercised.

Policyholders are urged to keep an accurate inventory of all insured property.

It is impossible to describe in detail every item covered by a fire insurance policy. It is desirable that the insured prepare and maintain for his own information and accurate inventory of everything contained within the insured property, together with its value. This serves two purposes. It will enable a close check to be kept on the value of the property and thus furnish a guide for increasing or decreasing the amount of insurance. In addition this inventory is very important in case of fire since it tends to assure the inclusion of every item in the statement of claim and aids in proving the amount of loss. An inventory of property should be so located that a fire destroying the property cannot also destroy it.

Interest of Insured Covered

Attention is directed to the fact that it is the interest of the insured which is covered in the fire insurance contract and not the property itself. Thus the contract is a personal one and cannot follow the property unless the insurance company gives its assent. It is a fundamental principle of the insurance that the policyholder must have an insurable interest in the property as otherwise the policy would be a gambling contract and therefore illegal. Unless the policyholder is the unconditional and sole owner, the policy requires that the type of interest which he has in the property be specifically stated so the company may know definitely what is being covered. The test of an insurable interest is whether an injury to the property will cause an actual loss to the insured. Thus a mortgagee has an insurable interest.

Keep Company Posted

Policyholders are advised to report immediately to the insurance company any changes which might have an effect upon the fire hazards of the property. If there were no limitations in the contract the company might be burdened with a risk which it would not have assumed in the first place and could not afford to carry at the premium named. It would obviously be unfair to other policyholders were the company in effect to discriminate in favor of any particular policyholder by carrying such increased hazards without advanced knowledge and adequate compensation.

"As the contract must necessarily be based upon the strictest good faith, it is provided that the entire policy is voided if the insured has concealed or misrepresented any material fact or circumstance concerning the insurance of the subject of it, or in case of any fraud or false swearing touching any matter relating to the insurance or the subject thereof whether before or after a loss."

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BIG FIRE WASTE IS TAX TO ADD TO OUR BURDENS

Scientific Study of Fire Loss Causes Suggested as Way Out

By H. W. SHAPLEY.

The question of fire loss is usually looked upon as one of a financial character. While the loss in this respect has been reduced very greatly during the last four years, it is still away up in the millions and a very considerable item. But while we are inclined to look upon it as largely a financial matter, we must not lose sight of the other feature of it, which is, perhaps, just as important, namely, the loss of life. I have not had any record of what the loss of life was during the last year, but I think we can safely say that an average of three or four hundred lives are lost annually through accident in connection with fires. Now that is a very serious feature of the situation, and it is one that is often overlooked. When we are talking about the matter in terms of dollars and cents, we should not leave out of consideration the very serious loss of life that is taking place every year.

Another Tax on People

The losses which result from fire destruction are simply another tax that is being put on the people of this country. So far as federal, provincial and municipal taxation is concerned, as long as we have debts to pay, there is no chance of our getting to a position where we shall be relieved of paying taxes; we must help to pay the debts of our country. But in my estimation this tax that we yearly impose upon ourselves in connection with fire waste is to a large extent unnecessary; I venture to say that at least half of it could be avoided.

Ways of Meeting Problem

It seems to me that the problem is in many respects quite similar to other problems that have been handled, and are being handled almost every day. I believe that if this fire waste situation was before us, and in connection with which we have overcome apparently insuperable difficulties, we should be able to accomplish a very material reduction of our fire loss.

Some years ago—just by way of illustration—I was interested in the matter of bee keeping. In those days a disease called foul brood got into the hives with results fatal to the bees. When that disease got into the hive it actually destroyed the hive and spread to others nearby. It even went to other apiaries in the locality, and the situation got to be so serious, the loss to the bee keepers was becoming so great, that the government were asked to give the matter some consideration and endeavor to find a remedy. The consequence was that the government took hold of it; they appointed inspectors with power to inspect the different apiaries throughout the country, and whenever they found any sign of this disease of foul brood in the hive, the hive was ordered to be destroyed. This has been going on for a number of years, and the situation has been very materially improved. That is only one illustration of what is taking place in our country in respect to the attacking of difficulties, the solution of problems which definitely and seriously face our people.

The same rule is being applied to agriculture, to fruit growing, to cattle raising, and to many other things: when there is a difficulty, when there is a loss, the first step taken is to have someone report or advise as to what means should be adopted to prevent loss. It seems to me that if this fire loss situation was taken up in the same way we should have no difficulty in ascertaining the cause of the tremendous loss that is taking place from year to year, and I am confident that we should be able to devise ways and means of preventing a very large proportion of it.

I believe that what has been done in the last few years in that line is showing us some results. It certainly is a good thing to educate the people, especially the young people, as to the great danger of fire under all conditions, and a great deal has already been done in that direction. But if some terrible disease attacked our cattle, we would not depend altogether upon educating the people as to what they should do; experts would immediately be brought here; the whole question would be investigated; means would be adopted to prevent the loss, and those means would be put into effect immediately. If we handled the fire waste question in the same way; if we assigned to a couple of men or to a committee the duty of investigating the situation and finding out what is the real cause—because there must be a cause—we would soon find out where the trouble was and would soon be able to reduce the loss.

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Insurance Personals

JOHN G. WATSON, a well-known and experienced insurance salesman in Sherbrooke, Que., and formerly manager in that district for the Canada Life, has recently been placed in charge of the Dominion Life's offices in Sherbrooke with supervision over the Eastern Townships of Quebec.

* * *

B. R. Hooper has been appointed manager, group insurance for the London Life Insurance Co. for Western Ontario, with headquarters at head office. Mr. Hooper is a graduate of McGill University and was engaged for some time in government engineering activities. He entered the life insurance business several years ago and has had a very successful career, rising to the position of superintendent of the Maritime Provinces, and later superintendent of Western Ontario.

T. H. Fleming has recently been appointed manager for the Manitoba West district of the London Life Insurance Co. Mr. Fleming has lived all his life in Western Canada. He was formerly employed in engineering and later entered the teaching profession, becoming principal of a school at Indian Head, Saskatchewan.

K. N. Burns McKenzie has been appointed manager, group insurance for the London Life Insurance Co. for Toronto, Hamilton and the Niagara district. Mr. McKenzie's early business career was spent with the Hudson's Bay Co. He has been a keen student of insurance and business affairs and spent some time in the United States studying group insurance. He was connected for some time with the Aetna Life Insurance Co. as group insurance manager and has had considerable experience in the Ontario and Quebec field.

DIWAN VISITS MANUFACTURER'S LIFE

During his recent visit to Toronto Bahadur Sir T. Vijayaraghavacharya, K.B.E., visited the Manufacturers' Life offices. In the course of his remarks to the head office staff, the Diwan emphasized the friendliness of the Canadian people and spoke appreciatively of the hospitality that has been extended to him in all parts of the country.

BIG ORDER FOR GROUP COVERING

The popularity of group assurance in Canada continues to grow. It is estimated that at the end of the present year over two hundred million dollars of this business will be in force in the Dominion. It is freely predicted that the Sun Life of Canada will write fifty million dollars of group assurance this year alone. It has just closed a large policy covering over fifteen hundred employees of the Shawinigan Water and Power Company and its subsidiaries. It is estimated that the amount of assurance in force on this policy will reach three million dollars.

With $2,140,000 of business for August, the Dominion Life recorded the astounding increase of 72 per cent. over the business received for the same month of last year.

WESTERN ASSURANCE COMPANY
Incorporated 1851
Fire—Marine—Automobile—Burglary—Guarantee
HEAD OFFICE - TORONTO

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office Ottawa, Canada.
Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,743
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,170
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Seattle, Washington
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO.
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
BRANCH OFFICES
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Organized 1874
TOTAL BENEFITS
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$87,000,000.00
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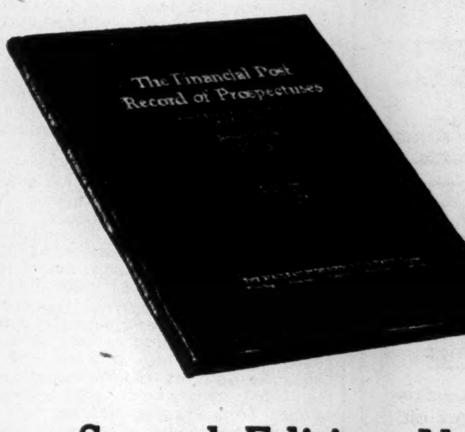

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Current Events in Banking World

CREDIT MEN URGE STEPS TO DEFEAT N.S.F. CHEQUES

Difficulty of Convicting the Offenders Encourages the Practice

That perennial nuisance, the N.S.F. cheque, has again been the subject of discussion, and at a recent meeting of the Canadian Credit Men's Association, the government was urged to take further steps to stamp out this evil. The practice of issuing N.S.F. cheques can perhaps be divided into *three distinct categories.* In the first *place there is the cheque issued fraudulently by an individual* who obtains goods under false pretences and then disappears, leaving little or no trace behind him. Next there is the person who through sheer carelessness issues a cheque in the ordinary course of business and then forgets to see that there are sufficient funds to cover it. Thirdly, there are those who persistently issue cheques against a small balance and against whom the hand of the law does not effectively reach. It is this third class of N.S.F. cheques which are the cause of most trouble and annoyance to bankers and to the business community generally.

According to the Canadian criminal code, it is a criminal offense to obtain goods under false pretences, and the issuing of a cheque over the counter in exchange for goods, when there is no intention on the part of the issuer to meet the cheque, is, of course, an offense liable under the Act. Where there is deliberate fraud of this sort the offender, who is usually a well-seasoned criminal, is brought, if possible, to justice and punished accordingly. On the other extreme there are many men who in the ordinary course of business issue cheques in advance of their bank accounts, with every intention of covering the amount, but who through carelessness neglect to do so. This practice, while expensive and annoying to all concerned, is not a vicious thing by any means and whenever a customer persists in the practice, a discretionary fee is often charged by the bank manager, which proves an effective aid to memory. Midway between these two extremes, we have the man who, in the course of business, obtains goods and because he is pressed by his creditors, uses the simple expedient of an N.S.F. cheque to prolong the day of reckoning. This type of man is as a rule very hard to punish because under our present legislation the offense is not criminal unless the plaintiff can prove that the offender committed the act "knowingly." If the *offender* pleads that he thought there *was* sufficient money to cover the cheque, the chances are that he will be allowed to make his escape.

A Handy Nuisance

In 1916, the Canadian Bankers' Association submitted to the Minister of Justice a proposed N.S.F. cheque law, which received the hearty endorsation of bankers and business men. Unfortunately, the legislation was not proceeded with on the grounds that it was not the intention to deal with the criminal code that year, and the matter was left in abeyance. From time to time, various organizations of business men have attempted to remedy the situation, but the nuisance still continues.

It is quite evident that the present legislation does not get to the root of the matter, and that it does not pretend to penalize the most consistent offender against the ethics of good banking. If a suit of clothes is purchased over the counter and the purchaser undertakes to pay for them by cheque there and then, the offense, if the cheque is returnd N.S.F., is a criminal one, because the goods were obtained under false pretences. But if the purchaser, instead of paying for the suit over the counter, sends a cheque a week later, there is no criminal offense.

Obviously, a great deal of hardship would be occasioned to innocent but careless individuals, if the passing of every N.S.F. cheque were to brand the issuer as a criminal. The Dominion government foresees this difficulty if drastic legislation were passed, and so far has refused to amend the act in that respect. Their attitude seems to be that any legislation should be on the side of leniency, and that except against the fraudulent issuer of cheques, any action that is taken should be through the medium of education rather than by legislation and criminal proceedings. The Toronto Clearing Association made a definite move when it made a ruling last spring to the effect that "a cheque once cleared and returned for the reason of not sufficient funds, must first be certified before it can be again cleared at the bank upon which it is drawn." This ruling should serve at least as a partial check against the careless issuing of N.S.F. cheques. In California a charge of 25 cents is made upon all cheques returned for the reason of N.S.F. This rule is not a new one to the Canadian banking system, but its application is very seldom enforced in actual practice. Where the offense is frequently committed it would seem to be an effective means of checking up on those individuals who insist on taking advantage of an indispensable banking service. In England, the nuisance is conspicuous by its absence. Chequing accounts are not nearly as easy to open as they are in Canada, and customers must carry a certain balance at their credit, the penalty being a closing out of the account by the local manager.

In Canada the percentage of dishonored cheques is higher than in any other country in the world, and until a more effecive form of legislation is devised, the solution can only be found, seemingly, in a closer application among business men of the very highest ethics of the banking profession.—K.W.

IMPORTANT INCREASE IN BANK DEBITS

A Reflection of Improved Business Conditions Throughout Country

OTTAWA.—Bank debits in August were 27 per cent. and 17 per cent. greater than in the corresponding months of 1924 and 1925, respectively. They were also greater than in any other month of the present year except April and June. The total in August, as reported to the Dominion Bureau of Statistics by the Canadian Bankers' Association, was $2,446,000,000 as compared with $2,090,000,000 in the corresponding month of 1925, an increase of $356,000,000. The debits in August when adjusted for seasonal variation, show an increase of 8.4 per cent. over July.

Bank clearings in August were $1,403,506,917, as compared with $1,248,105,224 in the corresponding month of 1925, an increase of 12.4 per cent.

	Debits to Individual Accounts Aug., 1926 $	Aug., 1925 $
Maritime Provinces—		
Halifax	24,326,351	22,626,109
Moncton	6,333,039	6,052,857
St. John	19,849,176	18,170,358
Total	50,508,566	46,849,324
Quebec—		
Montreal	810,744,553	604,461,902
Quebec	50,958,285	49,143,593
Sherbrooke	10,438,564	12,790,636
Total	872,141,402	666,396,131
Ontario—		
Brantford	9,919,538	9,578,323
Chatham	6,689,893	5,863,092
Fort William	10,419,986	5,621,762
Hamilton	52,201,799	50,508,934
Kingston	4,831,840	4,975,221
Kitchener	8,014,282	8,114,815
London	26,617,726	20,436,551
Ottawa	117,377,048	169,461,176
Peterborough	5,733,812	5,560,396
Sarnia	10,329,655	No record
Toronto	619,141,573	506,394,786
Windsor	27,321,552	25,864,018
Total	898,598,704	812,379,074
Prairie Provinces—		
Brandon	4,331,192	4,476,402
Calgary	49,150,031	50,693,937
Edmonton	29,404,198	28,688,782
Lethbridge	5,859,685	4,620,224
Medicine Hat	2,292,905	2,414,005
Moose Jaw	8,028,761	7,721,029
Prince Albert	2,234,087	1,757,984
Regina	35,210,358	25,824,266
Saskatoon	13,073,434	10,668,662
Winnipeg	313,311,871	265,938,580
Weyburn Bank	3,207,063	2,898,989
Total	466,103,585	405,702,860
British Columbia—		
New Westminster	6,282,263	5,571,002
Vancouver	124,086,659	128,636,188
Victoria	28,523,813	24,617,388
Total	158,892,735	158,824,578
Grand total	2,446,244,992	2,090,151,967

BANKER PRESIDENT OF UNIVERSITY

To Charles E. Beury, president of the National Bank of North Philadelphia and vice-president of the Tioga and Manheim Trust Companies, Philadelphia, belongs the unique distinction of being the first banker to be chosen president of a university in the country.

Dr. Beury's selection as the head of Temple University, to succeed the late Russell H. Conwell, noted educator, lecturer and philanthropist, was made recently by the board of trustees of Temple University. Dr. Beury now announces that a campaign to raise a fund of $20,000,000 over a period of from fifteen to twenty years, for the future expansion, further equipment and additional endowment of the university, will be launched early next year.

Staff Gossip

Mr. Elliot, teller of the Standard Bank Bloomfield, has been transferred to another branch and Mr. Lane has taken his place there.—Standard, Kingston.

* * *

Mr. Scott, of the Bank of Montreal, has been transferred to Gainsboro, Sask., and has been succeeded by Mr. Lewis, of Raymore, Sask.—Canadian, Melville.

* * *

Chas. Acheson, of the Bank of Montreal, has been moved to the Market branch, London. Mr. Paton, of Kincardine is relieving him.—Times Advocate, Exeter.

* * *

E. L. Williams, who recently retired from the management of one of the Standard Bank's Toronto branches after thirty-three years' service, has decided to make his home at Vernon, B.C.—Province, Vancouver.

* * *

Mr. Reynolds, Mimico, has been transferred to the Athens branch of the Bank of Montreal, to fill the vacancy caused by the transfer to Prescott of Lewis Bradley, who has been engaged there for several months past.—British Whig, Kingston.

* * *

A. F. McConkey, manager of the Humboldt branch of the Canadian Bank of Commerce for the past 11 years, has received notice of his transfer to the Saskatoon branch.

Mr. McConkey has been identified prominently with all local organizations. —Leader, Regina.

* * *

William T. White, for the past three years manager of the Woodstock branch of the Canadian Bank of Commerce, has been notified of his tranfer to the Pacific Coast.

Mr. White has been active in many organizations since coming to this city, including the Masonic Order, the Woodstock Bowling Club, Woodstock Humane Society and the officers' mess of the Oxford Rifles.—Advertiser, London.

* * *

Miss Carmel Cavanagh, who for some time past has been employed in the Bank of Commerce at Smiths Falls, has been transferred to the Brockville branch as ledger-keeper.—Carrier, Perth.

* * *

Wm. M. McKay, who for the past two years has been manager of the Wiarton branch of the Bank of Commerce, received word of his transference to Woodstock, where he takes over the position of manager. During his residence in Wiarton Mr. McKay became very popular among the business men of the town and took an active interest in public affairs. He is being succeeded by R. Harper, of Edmonton, Alberta. — Sun Times, Owen Sound.

MACHINE DESIGNED TO BETRAY ROBBERS

CHICAGO.—A large Chicago bank is installing a machine designed to betray robbers by their shadows.

The instrument is called the photo-electric ray. It throws a strong beam of light across the vault onto a highly sensitive plate on the opposite wall. Any interception of this light ray will start a loud alarm gong booming, as well as notify police that the bank is being robbed.

The photo-electric ray was developed by physicians of radiant therapy, whose national association is in convention here.

BANK OF COMMERCE

The Canadian Bank of Commerce has secured a permit from the city building inspector for alterations to its King and James Sts. offices, to cost about $20,000.—Spectator, Hamilton.

IMPERIAL BANK

The Hudson branch, Red Lake district of the Imperial Bank is being closed on October 15, 1926, and the business being transferred to Sioux Lookout branch.

Devonshire Appointed by Bank

MONTREAL. — The Duke of Devonshire has been appointed chairman of the London Advisory Committee of the Bank of Montreal. As he was Governor General of the Dominion between 1916 and 1921, the appointment will therefore bring to the bank's London representation one who is not only well versed in British and Imperial affairs, but one who is exceptionally well posted in Canadian conditions.

Monthly Bank Clearings
(In comparison with same month last year).

EASTERN CITIES	Sept., 1925	Sept., 1926
St. John	$ 10,649,123	$ 10,374,342
Moncton	3,258,285	3,459,623
Sherbrooke	3,535,798	3,686,875
Halifax	13,816,119	11,656,308
Montreal	399,206,343	436,330,004
Quebec	28,040,527	26,749,366
Ottawa	26,075,797	26,482,275
Kingston	3,253,401	3,447,393
Peterboro	3,263,782	3,685,958
Toronto	383,202,776	412,899,036
Hamilton	21,296,414	25,245,334
Brantford	3,865,811	4,305,999
London	10,508,833	10,789,588
Chatham	2,194,958	2,687,040
Kitchener	3,986,741	4,045,961
Sarnia	....	2,777,888
Windsor	14,389,554	18,972,913
Total, East	$930,544,262	$1,007,595,903

WESTERN CITIES	Sept., 1925	Sept., 1926
Fort William	$ 4,039,580	$ 4,322,636
Winnipeg	231,955,720	203,396,078
Brandon	2,830,306	2,613,768
Regina	21,427,339	20,375,860
Saskatoon	7,392,564	8,618,798
Moose Jaw	5,031,005	5,586,604
Prince Albert	1,217,871	1,536,597
Edmonton	18,835,516	19,803,070
Medicine Hat	1,341,471	1,288,149
New Westminster	3,270,600	3,509,468
Vancouver	67,263,115	71,739,665
Victoria	8,683,615	8,819,733
Calgary	24,943,970	22,253,539
Total, West	$398,232,672	$ 373,863,965
Grd. total	$1,328,776,934	$1,381,459,868

Weekly Bank Clearings
(In comparison with the same week last year)

EASTERN CITIES	Oct. 1, 1925	Sept. 30, 1926
Halifax	$ 3,701,843	$ 2,769,611
St. John	2,285,978	2,253,958
Moncton	805,081	781,181
Sherbrooke	705,077	775,104
Montreal	119,013,863	98,117,384
Quebec	6,131,963	5,966,707
Ottawa	5,480,496	5,419,808
Kingston	694,901	616,239
Peterboro	685,470	847,535
Toronto	131,648,991	90,421,827
Hamilton	5,009,312	4,852,568
Brantford	701,453	932,607
London	2,274,751	2,230,523
Chatham	....	580,156
Kitchener	904,729	934,339
Sarnia	....	631,792
Windsor	3,229,657	4,221,449
Total, East	$283,273,565	$222,352,788

WESTERN CITIES	Oct. 1, 1925	Sept. 30, 1926
Fort William	$ 909,848	$ 786,305
Winnipeg	73,197,888	58,667,253
Brandon	829,877	588,683
Regina	6,679,324	5,387,532
Saskatoon	1,799,169	1,836,445
Moose Jaw	1,329,186	1,429,527
Prince Albert	263,735	330,548
Lethbridge	550,103	434,147
Calgary	4,374,028	4,727,310
Edmonton	4,768,844	4,448,469
Medicine Hat	391,594	272,053
New Westminster	861,267	768,759
Vancouver	16,889,876	15,437,937
Victoria	2,122,798	1,769,990
Total, West	$114,967,537	$96,884,958

Canadian Appraisal Company, Ltd.
The Pioneer Appraisal Organization of Canada
Established 1905

DURING the past twenty years we have appraised some FIVE THOUSAND properties, all within the Dominion of Canada and comprising the most representative industrial plants in every line of industry.

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FACTORIES AT
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Invincible in Saskatchewan

IN 1901 Saskatchewan housed a population of 91,000. Today there are approximately 833,000 who find their means of livelihood in the Province.

30,000 New Citizens every year in 25 years is surely the lion's share of Western immigration and the momentum increases with every new season.

Here is the greatest market in Canada (says the "Financial Post") for all kinds of reputable merchandise, and there is nothing more readily available than the means of securing it in perpetuity.

Saskatchewan's outstanding daily newspapers and her one Farm Magazine completely blanket the Province with a selling force certainly unequalled in the whole Western market.

You can have their inclusive service and all that it means in complete coverage at the smallest outlay you have ever spent on productive salesmanship.

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REGINA

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SASKATOON

Saskatchewan Farmer - Semi-Monthly
REGINA

Eastern Manager: A. E. FORD, 1105 Bank of Hamilton Building
Toronto Phone Elgin 4672

FOREIGN EXCHANGES

Strength Develops in U.S. Funds

Conducted by S. J. ZACKS.

Marked strength has developed in U. S. funds during the past week and the premium on U. S. funds has sunk to 1/32 per cent. The weakness of Canadians is a surprise to many, especially in view of the fact that the call money at New York, has declined from 6 per cent. at the beginning of the month to 4 per cent. to-day. Other factors too would lead one to believe that Canadian funds would be strong such as the heavy wheat bills resulting from present and future exports. In addition it is expected that there will be considerable Canadian financing in New York. Bankers in New York predict that Canadian funds should be strong at least until New Years. The recent weakness might be attributed to the narrowness of the market. The demand at the moment is for U. S. funds. The situation appears to be a temporary one, for while the New York spot rate is strong, it is not so with futures.

Stirling holds strong and steady. Bankers generally have been short of sterling, in spite of this, and in addition to the strike, and the heavy cotton bill season, sterling holds on. Admittedly the support of the bank of England has been miraculous.

We are told that the banks have resumed a short interest in French francs and Italian lire, although both of these currencies have been farily strong and steady of late. One observation that becomes increasingly evident is the fact that Belgian franc has been somewhat independent of French franc in its recent movements.

A complete change in front by France with regard stabilization plans has been announced. Poincare now recognizes the fact that it will be easier to stabilize the franc with foreign credits. It is understood that Poincare will push ratification of American debt settlement but will ask for certain reservations and will tie it to German reparations bonds. The project in a word is to have Germany issue 2,000,000,000 marks for immediate resale. The bonds at present pay 5 per cent., but on consideration of evacuation of Rhineland, it is hoped that Germany would pay a little more which would make sale of issue in U. S. easier. France is entitled to 52 per cent. of proceeds of operations which will amount to about $162,000,000.

More than 25,000 carloads of coal are now moving for export to places normally supplied by British coal. The coal exports cover anthracite as well as bituminous. Whether the U. S. coal operators will be able to retain the new business following British strike settlement is doubtful. In the meantime they are getting a foothold.

Fresh crash in price of silver during the week, further weakened Chinese currency, which has been experiencing severe fluctuations.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Sept. 30	1-8	9-64	Par	1-64
Oct. 1	5-64	1-8	Par	1-64
Oct. 2	3-32	7-64	Par	1-64
Oct. 4	3-64	3-32	1-64	1-64
Oct. 5	1-16	5-64	1-32	1-32
Oct. 6	1-64	1-16	1-32	1-32

STERLING, FRANCS AND LIRE

	Sterling close	Francs close	Lire close
Sept. 30	4.84⅜	2.83	3.77¼
Oct. 1	4.84⅞	2.80½	3.76¼
Oct. 2	4.84⅞	2.92½	3.76¼
Oct. 4	4.84⅞	2.82¼	3.77
Oct. 5	4.84 13/16	2.83¾	3.76¾
Oct. 6	4.84 13/16	2.86½	3.81¼

FOREIGN EXCHANGE

Par		Sept. 29	Oct. 6
19.30	Italian	3.77	3.81¼
32.45	Brazil	15.00	14.83
23.82	German	23.81	23.80½
19.30	Belgium	2.72	2.74¼
84.85	Japan	48.52	48.52

THE NATION'S BUSINESS

(Continued from page 1)

the more urgent the presence there of Hons. C. A. Dunning and James Malcolm.

* * *

H. T. Hunter, vice-president of The Financial Post, has left for the conference to watch developments, undercurrents and reactions as they will affect the future of Canadian business, industry, production and investments in their relation to Empire and world affairs.

* * *

CANADA now needs nothing more than it needs a touch of prosperity. It does seem, judging from reports coming in from nearly every part of Canada and from reliable statistical indicators, that the country as a whole is going to enjoy better business during the coming year than has fallen to its lot in the past five years, and that this will be the fore-runner of good times. Most firms are recording larger sales and are making more money now than at any time since 1920. Some lines are still far from the condition their executives would like to consider normal capacity; partially because there are still some unsatisfactory spots on the business map and partially because some business heads refuse to admit that they were over-built during the war and carried on for two years after the war on momentum and inflation, and that they must get their viewpoint adjusted to a "new normal."

Expanding business in Canada is pleasant to contemplate but it must be admitted that we are not experiencing the high degree of genuine nation-wide prosperity that might have been ours if we had not spent so much time fiddling around with important questions such as curtailment of governmental expense, immigration, railway renovation and the adoption of a businesslike attitude of letting investors know where the country was heading on the tariff question.

Outlet to the Atlantic Great National Question

First of a Series of Articles on

Canada's Inland Waterway

By KENNETH WILSON.

A 2,000 MILE WATERWAY, linking the heart of Canada with the Atlantic Ocean and the world—

$160,000,000 already spent to open up this highway.

A ship canal, at Welland, costing $115,000,000, of which $60,000,000 has already been spent.

A proposed expenditure of $250,000,000 to deepen the 180 miles between Montreal and Lake Ontario in order that Canada may have a deep waterway to the sea.

A hydro development project to develop 1,500,000 horsepower at no additional cost.

These are some of the phases of Canada's waterway problem—a problem of primary national importance and one which must be faced in the very near future.

FOR 300 years this waterway has been the highway to the heart of the continent. The first canal was a four foot furrow scratched by the Royal Engineers in 1783 between Lake St. Francis and Lake St. Louis. But times have changed, and barges no longer carry the produce of Canada to the ocean. Instead great steel vessels 600 feet in length, and with a capacity of 10,000 or 12,000 tons ply swiftly up and down the lakes in close competition with rail and other modern forms of transportation.

St. Lawrence Now Is Crux

The river between Montreal and Quebec was the first section to be deepened, and the St. Lawrence Ship Channel built originally in 1857 to a depth of 18 ft., has since been deepened to 35 ft. The crux of the present situation lies however in the 180 mile stretch between Montreal and Lake Ontario. Made navigable about 1900 to a depth of 14 ft. by a series of canals comprising the Lachine, Soulanges, Cornwall and Williamsburg Canals, the system is to-day obsolete, due to the rapid development in the size and depth of vessels in the last 25 years.

The Welland system is the next important link in the chain. Started originally by private enterprise under the leadership of Wm. H. Merritt, the project was finally taken over by the government in 1841, and the old Welland Canal was opened in 1845 with a depth of 9 feet on the sills. A few years later this was increased to 12 ft. by raising the banks and in 1882 another increase was made to a depth of 14 ft. In the last quarter of a century, the amount of freight passing through the canal has increased five times with a similar increase in the number of Canadian vessels using the waterway. To-day a new Canal called the Welland Ship Canal, is being built. The project, although interrupted by the war began, in 1912, and already is has cost Canada no less than $60,000,000. According to present plans the canal will be ready for use by 1930.

At Sault Ste. Marie, both Canada and the United States have splendid canals. The American canal has been in operation since 1855, and the Canadian since 1896, the available draft varying from 18 to 22 feet, according to the state of the tide.

Now International Problem

Until recently our canals had been entirely a national work, and all improvements had been made by Canada on her own soil. In 1930, however, when the need for action became imperative, the respective governments agreed to refer the matter to the International Joint Commission. This commission, composed of three American and three Canadian representatives, investigated for exactly two years a series of nine questions put to them by the two governments, and in January, 1922, they submitted their report. It is this report that is the basis of the whole Great Lakes—St. Lawrence controversy and through its findings both the Canadian and American Governments have been brought to realize the urgent importance of the situation.

RISE OF SHAWINIGAN SHARES BASED ON MANY SOUND FACTORS

(Continued from page 1)

ably the cause of the recent activity in the shares of the Laurentide Company and its power subsidiary will be revealed shortly, and Shawinigan might possibly play some part in the picture.

Then there is the possibility of Shawinigan acquiring all the stock of its subsidiary, the Quebec Power Company, which of late has been making remarkable progress.

Finally, there is the strategic position of Shawinigan itself. The company, jointly with Montreal "Power," controls Montreal Tramways and several other smaller companies such as the Canadian Light and Power Company, and in addition is connected in some way, shape, or form with every power development in the province of Quebec, excluding the big developments of the Gatineau River Power and the Power Corporation of Canada's developments, which include the Southern Canada Power. In other words, the company is practically in control of the power situation in the most prosperous sections of the province, namely, along the St. Lawrence River Valley. Perhaps ultimately, all, or most, of Shawinigan's interests may be consolidated into one vast company, but this is probably still far in the future.

The foregoing sums up some of the more favorable features of the outlook for the future of Shawinigan. While some of these developments may never occur, and whilst others may not take place for some time, yet with the present strength in the stock, it seems apparent that some of the developments indicated in the foregoing will take place reasonably soon. Furthermore, the province of Quebec is expanding industrially—such expansion will ultimately be reflected in Shawinigan's earnings.

"Why Are We So Humiliated?"

An editorial which appeared in The Financial Post recently stressed the necessity of giving Canadian professional men all appointments for which funds come from the public purse. Two instances in which this policy was not carried out were pointed out, namely, the action of the Calgary city council in appointing a U. S. engineer to carry out certain work and the appointment of American architects to carry out work on the projected C. N.R. hotel in Vancouver.

Under the heading "Why Are We So Humiliated?" the Contract Record and Engineering Review takes up the same question particularly in regard to the employment of a Canadian architect by the National Railways, saying:

> The people of Canada—and our architects as a class—have a right to ask an explanation of this slap in the face. Why this farcical attitude of the president of our National System? Will he say that Canada's architects are not good enough? He will scarcely be so foolish or so untruthful. Will he say it is not a sheer case of family patronage to a firm of which his father-in-law is a prominent member? The appointment is a humiliation to every Canadian and a disgrace to the chief officer of our great national railway system. Why are we so humiliated? We shall await the explanation with keen interest.

The editorial in The Financial Post also pointed out that Canadian architects have taken no steps to inform the general public of their capabilities, nor have they taken any steps to point out to the public generally the necessity of employing Canadian architects in Canadian jobs and thus they should not complain at the employment of U. S. architects.

Replying to the latter charge, a Montreal architect writes as follows:

The Editor, The Financial Post:

Sir:

I was very interested to read the editorial in your excellent paper of Oct. 11 under the heading "Canadian Brains" and would like to quote from the code of ethics of the by-laws of the Royal Architectural Institute of Canada the following, which refers to advertising:

"No member shall advertise in any publication in any other way than by a notice giving name, address, profession and office hours."

It is very problematical whether one can "sell architecture" in the commercial sense of the word and still retain professional standing and a really high standard of architecture. The general public is rather unversed in its knowledge of architecture, due, I think, to the lack of tradition (this being a very young country architecturally) and due to a lack of architecture education in most of our schools. Were it possible for the average citizen to recognize good architecture from mediocre, or bad, the profession would be called upon more frequently for its services, and there would be less speculative building where architects' services are not used. In the end our cities and towns would be considerably enhanced and our "wares" would be there for the people to see.

Right down through the ages, the prosperity of a nation has been reflected in its architecture, and this is taking place to-day in the United States, where there is an abundance of buildings designed by architects who have not had to stint themselves for money, as is usually the case in this country.

Therefore, in my humble opinion, until the public mind has been influenced by better designed buildings than one sees on the average here, it will be impossible to obtain the appreciation of architectural services as rendered in this country, in competition with the edifices erected in the United States.

Your truly,
H. P. ILLSLEY,
134 Clandeboye Ave., Westmount, P. Q.

The Royal Architectural Institute can set up any standards of advertising ethics which it sees fit. On the other hand, the Canadian architects have no cause for complaint if public appointments go to foreign architects, for the general public—the man on the street—does not know, and does not care, until it is pointed out to him, that Canadian architects are frequently passed over for some of the bigger appointments which offer from time to time.

Thus, if the Royal Architectural Institute definitely decides to see that no more public contracts go to foreign architects, this aim could probably be easily accomplished, either by advertising or by other similar methods of publicity. But such steps the Institute will not take. In other words, the Institute appears to be unwilling to show the man on the street that Canadian architectural "wares" are equally artistic and comparable to any contemporary architecture.

The Biological Building at McGill University has received the commendation of the Rockefeller Foundation; thus, architects from all parts of the world have been attracted to it. The Pathological building at McGill, Hart House in Toronto, the Sun Life Building in Montreal and the new station in Toronto, are all outstanding examples of Canadian architecture.

Thus, if facts such as these be pointed out to Canadian voters, they will take care not to elect municipal bodies or politicians who insist in employing U. S. architects to carry out projects at the expense of the public. But the public will only do this, when the architects in some manner, shape or form endeavor to tell them the truth. In the past, it has been the habit to tell the public that foreign professional men are specialists in some one given line and thus they should be given special appointments in Canada. But this merely is an excuse—especially in architecture. Any architect anywhere when asked to design, say an hotel, naturally goes over carefully the plans of all similar hotels and from these receives pointers which he utilizes in meeting the special problems of the individual job.

While it is true, undoubtedly, that there is fine architecture in the United States, yet fine work has, and is being done by Canadians to-day. The point is that many Canadians are not aware of two facts: firstly, that American architects are being frequently employed by Canadian public bodies, and secondly, that Canadian architects are equally as competent as the architects of the United States, However, if the architects are unwilling to tell their story—it is certain that no one else will tell it for them.

Investment Bankers to Hold Meeting at Quebec

Commencing Monday, Quebec City is to play the part of host to the Investment Bankers' Association of America, and for one week the association, which includes practically all the leading Canadian and American investment houses, will deliberate on America's financial problems. The association has already done much to safeguard investments and to protect the investor from fraudulent enterprises. Among them the convention will be addressed by the Lieutenant-Governor of Quebec, by the Hon. Rodolphe Lemieux, K.C., M.P., speaker of the House of Commons; Russell Leffingwell, member of the firm of J. P. Morgan & Co., and former assistant secretary of the treasury of the United States, and by E. W. Beatty, K.C., president of the C.P.R. Canadian arrangements have been in charge of a committee composed of James A. Eccles, Montreal, chairman; R. D. Bell; F. D. Chapman. R. A. Daly; John A. Fraser; J. H. Gundy; Howard Murray; E. G. Hanson; J. D. McTaggart and R. W. Steele.

The International Nickel Co.

A quarterly dividend of one and one half per cent. on the Preferred stock has been declared this day payable Nov. 1, 1926, to the Preferred Stockholders of Record at the close of business Oct. 14th, 1926.

JAMES L. ASHLEY, Sec'y. & Treas.

New York, Oct. 4th, 1926.

IRON and STEEL SALESMAN
Seeks Broader Opportunity

If you are in the Iron or Steel, or allied trades and require a salesman of 12 years' Canadian experience, good record, 33 years old, married. Write

Box 10, The Financial Post,
SOUTHAM BLDG., MONTREAL.

Tenders for Debentures

The School Commissioners of the City of Hull

Public notice is hereby given that the School Commissioners of the City of Hull will receive, until the 19th day of October, 1926, at four o'clock in the afternoon, at the office of the the undersigned, written tenders for the purchase of bonds or debentures of the School Commissioners of the City of Hull, an issue of two hundred thousand dollars ($200,000) made in virtue of a resolution passed the 29th December, 1925, and approved of by the Lieutenant-Governor in Council, the 15th day of April, 1926.

The said debentures shall bear the date of the first of March, 1926, and shall become issued, in series, during the period of thirty years, from the 1st of March, 1927, and ending the first of March, 1956, with interest at the rate of 5% payable half yearly. The capital issuing annually and the interests half yearly shall be payable at the office of the Secretary-Treasurer of the School Commissioners of the City of Hull, or at the office of "La Banque Provinciale du Canada" at Hull or in Montreal, and the said bonds or debentures will be of the denomination of five hundred and one thousand dollars each.

Every tender must be sealed, with endorsement "Tender for Debentures" and addressed to the Secretary-Treasurer of the School Commissioners of the City of Hull. The tender price shall include the accrued interest on bonds up to the time of delivery which will be made at Hull, P.Q.

Every tender must be accompanied by an accepted cheque equal to one per cent. (1%) of the amount of the issue

The Schedule of issuing payments, as well as any other information shall be furnished upon request.

The School Commissioners of the City of Hull are not bound to accept any of the tenders.

GIVEN AT HULL, this twenty-third day of September, 1926.

JOSEPH PROVOST,
SECRETARY-TREASURER,
HULL, P.Q.

The Steel Company of Canada, Limited

Preference Dividend No. 61

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending September 30th, 1926.

Ordinary Dividend No. 39

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending September 30th, 1926.

The above dividends are payable November 1st, 1926, to shareholders of record at close of business October 7th, 1926.

By order of the Board.

H. S. ALEXANDER,
Secretary.

Hamilton, Ontario,
September 30th, 1926.

INTERNATIONAL PAPER COMPANY

New York, September 29, 1926.

The Board of Directors have declared a quarterly dividend of Fifty Cents (.50) a share on the Common Stock of this Company, payable November 15th, 1926, to common stockholders of record at the close of business November 1, 1926.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Treasurer.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar ($1.00) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of October, 1926, to shareholders of record at the close of business the 9th day of October, 1926.

By Order of the Board.

W. H. SMITH,
Secretary-Treasurer.

DOMINION TEXTILE COMPANY LIMITED

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending September 30th, 1926, payable 15th October, to shareholders of record 30th September.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, September 1st, 1926.

CO-OPERATION MEANS CONSERVATION

Visit Your Old Home Town this Autumn-note its Improvement

PLAN a trip this Autumn back to the old home town. Look up your boyhood friends. Renew and strengthen the ties formed years ago.

Take a trip. Note the fine homes, the beautiful lawns, the well-kept flower gardens. What an improvement in a few short years!

If you haven't travelled over Ontario's highways lately, you will be surprised in a change so noticeable.

The power of example is exemplified in the wonderful property improvement manifest today in Ontario's towns and Ontario's country-side, this because of Ontario's improved highways.

Ten years have not yet passed since the completion of the Toronto-Hamilton Highway—Ontario's first so-called permanent road.

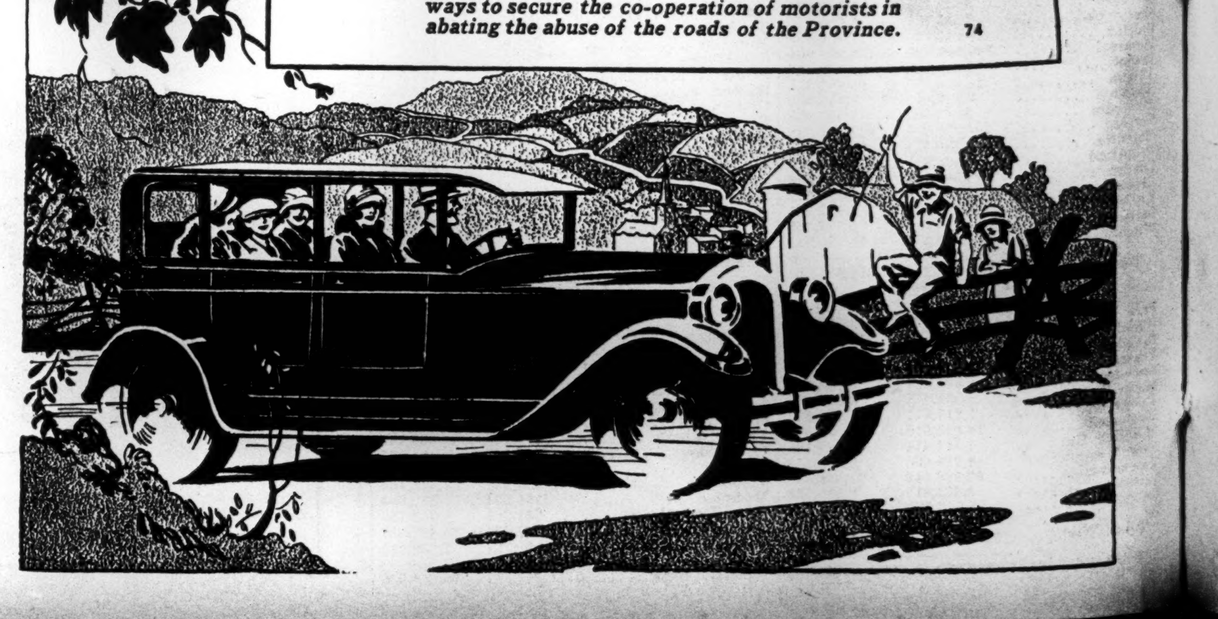
You'll appreciate what Ontario is doing to improve its roads. You'll discover that what a few short years ago was a tiresome journey is now a trip of pleasure.

Enjoy the scenic beauty of the trip—Drive sanely—Excessive speed is dangerous and expensive.

The traffic patrol is endeavoring to save the roads to make them safer for everyone, rigorously punishing law-breakers. In your own best interest co-operate whole-heartedly.

THE HON. GEO. S. HENRY, Minister of Highways
S. L. SQUIRE, Deputy Minister

Issued by the Ontario Department of Highways to secure the co-operation of motorists in abating the abuse of the roads of the Province. 74



Sees Water Powers as Great National Asset

Herbert Hoover Says United States Should Put All Water Powers to Work—Canada's Opportunity to Get Industries

Among Canada's great national assets are her waterpowers. Their value is perhaps not so greatly appreciated as it should be. The country owes a debt to such directors of legislative policy as Premier Taschereau of Quebec and Premier Ferguson of Ontario for the manner in which they have taken a firm stand against the exportation of Canadian power to the United States and have co-operated to develop inter-provincial powers to the best advantage. They believe in capitalizing Canadian power for the development of Canadian industry. Big manufacturing plants are coming to Canada as the result.

Canadians can gain a good idea of the value of the country's water power assets from the following article by Herbert Hoover in the New York Herald-Tribune.

WATER is our greatest undeveloped resource. The time has now come when we must put all our water to work.

The first need is a new and broad national program for the full utilization of our streams and our rivers and our lakes. It must be a program of national design. We must get away from interstate litigation, sectional quarrels, politics. With a long view, unified plan of action formulated, we can go ahead with the major engineering tasks to bring about complete use of water for inland transportation, reclamation, irrigation, flood control and power.

An inventory of our water resources brings forth most astounding figures. Our streams and rivers offer us a possible total of 55,000,000 horsepower. Less than one-fifth of that has been developed. We have approximately 25,000 miles of possible inland waterways. Less than 7,000 miles have been improved, and these 7,000 miles are made up of disconnected segments, so that their utility has been minimized. We still have 30,000,000 acres of possible reclaimable and irrigable lands.

Our great water resources are not confined to any one part of the country. They are distributed from the Atlantic to the Pacific, from Canada to Mexico.

The Department of Commerce has devoted much study to the commercial possibilities in the development of these water resources—inland water-borne transportation and power, irrigation, reclamation and flood control.

There are imperative reasons why we should now formulate this new national policy and put our water to work. Population is increasing rapidly. Our population will increase by 40,000,000 in the next twenty-five years. Soon we shall need more food supplies than our present lands will afford.

Putting Water to Work

We want to preserve the standards of living and increase the comforts of our steadily increasing national family. To do this we must place in use all of our resources. By putting water to work effectively we shall keep the United States on the high road to prosperity. We shall be able to bring about economic readjustments in agriculture and in industry. We shall be able better to assist in the distribution of population.

Take the Mississippi drainage basin as an example. Here we have a drainage upon which for very moderate cost we can provide a modern transportation system of 9,000 miles of connected waterways, serving 20 states. It would furnish a complete north and south trunk line across the nation, through the lakes from Duluth through Chicago to the Gulf of Mexico, and an east and west system from Pittsburgh to Kansas City.

There has been much improvement in this great system. But heretofore it has been haphazard. There are disconnected stretches now improved. This entire system can be modernized for a cost of less than $125,000,000.

Necessary increased costs of rail transportation make it imperative that these waterways be utilized to the fullest extent. Such utilization will not hurt the great railways. Improvement on the highways did not retard the development of the railroads. There are some commodities which will always have to move by rail. Moreover, even in the transportation of the bulk commodities the railways always will be the feeders.

It already has been demonstrated that modernized, water-borne service can successfully reduce the cost of transportation on bulk commodities to pre-war rates.

It has been carefully figured out by actual rates current to-day that we can carry 1,000 bushels of wheat 1,000 miles upon lake and ocean steamers for $20 to $30, on modern barges for $60 to $70, as against $150 to $200 by rail.

The Mississippi system not only requires attention to improvement of navigation channels but determination of plans to create head-water storage to control floods. The direct returns in reclamation of land and power and in the aid to navigation will be enormous.

Power on St. Lawrence

We have the Great Lakes system as another striking example. The Great Lakes to-day are the greatest inland water transportation system in the world. But the neck of the bottle is stopped. Outward traffic to the sea must pass through eleven and twelve foot channels. We know from an engineering point of view that it is entirely feasible to make every lake port an ocean port by deepening these channels to twenty-five or thirty-foot shipways.

Opening of the lakes to the sea will decrease the cost of exporting the farmer's grain from seven to eight cents a bushel. It will make possible the introduction of manufacturers' raw materials to the interior on a cheaper basis. It will tend to upbuild industry in the heart of the agricultural country. Both agriculture and industry will benefit. Our population will be distributed better. There is the possibility of developing some 4,000,000 or horsepower for our Eastern states and Canada.

There are engineering and international questions yet to be solved in relation to this opening of the lakes to the sea. We are engaged in determining the most advantageous route. It is my belief that within the next six months the solution of these questions will be much advanced.

Restoration of lake levels is another important problem in connection with this system. There are now sharp conflicts of opinion. States are fighting one another. Bitter quarrels have broken out. Litigation and politics create feeling, but they don't create water supply. Steam shovels and the pouring of cement can settle most of these quarrels. Money spent that way will bring better results than money spent on lawyers and politics.

Development of the Colorado River is still another example of the need for a comprehensive, long-view program. Here we have a great river whose basin lies in seven states. Adequate storage facilities for its enormous spring freshets would eventually add to our assets between 5,000,000 and 6,000,000 acres of irrigated land and millions of horsepower. This would be equivalent to the addition of a state to our nation almost as great as the State of Maryland.

There are many serious problems involved in the improvement of this river. The already developed communities in Arizona and California must be protected from floods. Water supplies for growing cities are needed. Storage facilities for enlarged irrigation are essential.

A great dam at Boulder Canyon is clearly an immediate necessity. It is one of our major water developments. In this case, as in so many others, it is my opinion that the entire outlay can be recovered from the sale of power and water.

The Columbia River basin is another example. It must be embraced in a national program. In the upper reaches of this river there are 2,500,000 horse power and there is a possibility of adding 1,750,000 acres of land to intensive cultivation.

The people of all of the states in the Union must be interested in a national conception of major water development. Improvement of any great system helps the whole country.

It is fortunate for us that we have outgrown the period of the pork barrel in river and harbor improvements. Much money has been wasted by the improvements of only small segments of a river. Congress has now wisely decided to leave to the engineers of the United States Army the distribution of appropriations.

Under the rivers and harbors act the Federal government is now expending approximately $65,000,000 a year. We can well afford to enlarge that expenditure. An increase by the Federal government beginning at $25,000,000 and gradually rising to $100,000,000 a year, together with the collateral expenditures of states, local communities and hydro-electric companies, would complete many of our most pressing projects in the next ten years. Much of the outlay would be directly recoverable from land and from leases of by-product power.

Factor in Tax Reduction

Discussing the need for a new, broad national program at Seattle recently, I said: "Realization of these plans will bring economic well-being measurable not in millions, but in billions. We could for the immediate projects that lie before us even find a return in money by the increment in Federal income tax alone, for the growth of national income and wealth would finance and more than warrant any such national outlay. We are all engaged in the great effort at tax reduction, but a soundly run business house not only looks to its expenditures but looks for increased revenues. A nation can reduce its tax rate by increasing its wealth and thus spreading the burden. These are reproductive works we are talking about. They are not charity to any locality."

The first great need in the development of this national program for the full utilization of our water resources is complete engineering studies of every drainage.

Second, we must have organization to determine a procedure and to coordinate all interests.

I would not seek any extension of Federal bureaucracy. We have the machinery now.

A commission, such as the lower Mississippi River Commission, set up in each of the great drainages, on which not only the Federal government but the states involved could be represented, should be provided. These commissions would not have the proper power and task of spending money, of construction or of administration. Our Federal and local governments now have efficient engineering corps for that purpose. These commissions should consider the engineering data, think, plan, devise, co-ordinate, negotiate and persuade. Unified programs for each system could be outlined. We need the best judgment of many minds to map out the programs and to obtain co-ordination and co-operation. In execution, we must have single-headed responsibility.

There is a need within the machinery of the Federal government itself for concentration of the activities of several bureaus now operating into a public works division in the Department of the Interior, with our army engineers assigned to that section in peace times.

In order to strengthen the foundation of agriculture and industry we must adopt this national program of water development. The peace and happiness of our people demand it.

Providence has been kind to us. We must put our gifts of water to work.

HERBERT HOOVER.

Coutts Refinery Enlarged

COUTTS.—A second still has been added to the plant of one of the oil refining companies here, which increases the capacity of the plant to 2,000 barrels of crude oil daily.

Saskatchewan Using More Motor Vehicles

REGINA.—Showing a total revenue collected during 1925 almost $2,700,000, the report of the Saskatchewan provincial secretary's department has been presented to Hon. J. M. Uhrich.

Registrations of motor vehicles in 1925 amounted to 77,812, being an increase of 8,216 over the previous high mark established in 1924. Truck licenses increased from 3,780 in 1924 to 5,560 in 1925. A comparative statement of the number of licenses issued in each year since 1906 shows that only one year, 1922, has there been any decrease in the number of motor vehicles as compared with the preceding year.

American Settlers Add Wealth

OTTAWA.—The part played by American settlers migrating to Canada in adding to the wealth of the country is set forth in a recent statement of the Department of Immigration and Colonization. In the past twelve years, according to this authority, this has amounted to $163,470,533, an average of approximately $13,625,000 per year. The outstanding year in the period was that of 1912-13, when the farmer movement was at its peak, in which twelve months settlers from the U.S.A. brought $25,795,545 into the Dominion.

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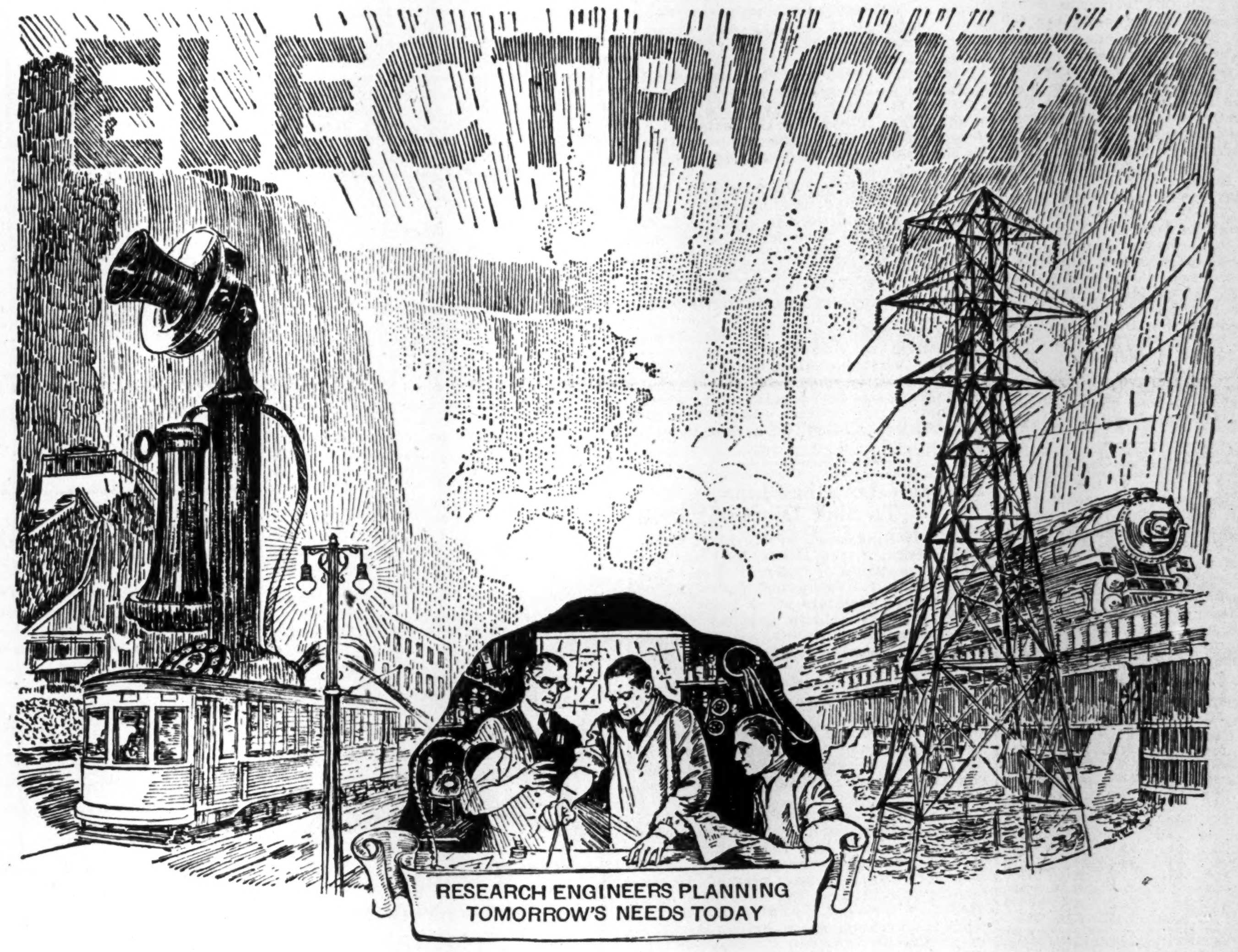

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Great developments have recently taken place in the production of electrolytic copper and zinc, and in processes of the electric smelting and refining of ores.

These are a few of the newer uses to which Canada's abundance of water power can be put, and in many cases are actually being put at the present time.

The prospects for the application of our water power are boundless. The hydro-electric industry is as yet only in its infancy, but in no direction do Canadian resources show greater promise of development. It is one of the mighty factors in building up the greater Canada of tomorrow—the Canada of industrial achievement and enterprise.

In the faith and business capacity of her great leaders rests the future destiny of Canada. Among those who work to this end the Northern Electric Company Limited is proud to perform its part.

Information

Canada has developed water power to about one-tenth of the world's total. Only one country (Norway) has greater per capita water power development, yet only 8½% of Canada's power resources are now used.

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News of the Mines: A Department for Executives and Investors

SLUMP IN SILVER HAS EFFECT ON MINING MARKETS

Result of Putting Indian Rupee on a Gold Basis

What may be regarded as a major deve'opment in the Canadian mining market for mining shares has been the decline in the price of silver which has a direct bearing on the profits of the white metal properties. Apprehension that this change in the market for their product may seriously affect the value of silver producing properties has been confirmed by J. P. Bickell and has been reflected in the trend of market prices. The fall in the price of silver came with the decision to stablize the Indian rupee on a gold basis which affected the New York and London markets.

How far this decline will go it is impossible to say, but it is known that there are very large quantities of silver for sa'e—and the position of the metal is rather precarious. If this should be followed by an Indian consumption of gold comparable to the enormous quantities of silver that have annually disappeared in that country for years it might ultimately have a serious effect on the gold supply and on the general price level, according to Hayden, Stone & Co. This would be just the reverse of the tendency to increase the world's gold supply that has been in evidence at periods for many years past, and which is generally held in part responsible for the present high price level as compared with former generations.

Discussing the outlook the National Bank of Commerce in New York says:

Although the future of the silver market remains shrouded in a veil of mystery, recent developments are expected to exert a decided influence. Substanial fluctuations up and down are to be anticipated. But in the long run the tendency of silver prices seems more likely to be downward than upward. India is apt to be less of a buyer and possibly will be a seller of silver in the international market. China will be left the great free silver mart of the Far East, buying or selling according to the dictates of its keen-minded speculators and bankers. Europe will be less of a buyer than formerly for subsidiary coinage purposes. World production now at record high levels is not likely to recede in proportion to decreased demands for monetary purposes. However, the situation need not occasion undue discouragement. Since the middle of the last century silver has had to endure the shock of demonetization in one country after another. None the less its consumption has steadily increased. The present occasion affords an opportunity to the industry to develop uses of silver in the arts and industries that will absorb the available supplies.

Exploratory Drilling at Capitol

At the annual meeting of the Capitol Silver Mines, the company's consulting engineer, R. J. Innis, stated that three diamond drill holes had been projected and that one of these had now attained a depth of 500 feet. This work, he asserted, would determine the plane of the diabase-keewatin contact, and, when the information had been ascertained, a definite policy could be adopted as to where operations in the No. 1 shaft would be commenced.

MINING STOCK QUOTATIONS
Week Ending October 5

	High for wk.	Low for wk.	Close Oct. 5	Close Sept. 28	Sales for wk.
Amulet	1.46	1.34	1.45	1.35	128015
Algonquin	3¾	3¼	3½	3½	28500
Area	30	24	26½	23	34800
Argo. Con.	38	32	37	32½	482875
Baldwin	5¼	4⅛	5¼	4½	108200
Barry Hol.	70	63	68¾	62½	173590
Beaver	90	84¼	84½	86	53300
Bellellen L.	23½	21½	21½	22½	38500
Bidgood	5½	5	5	5	6500
Boston Crk	6	6	6	6½	2000
Bourlamaque	1.17	1.14	1.15	1.16	34365
Buckingham	4	4	4	3	4000
Can. Lorrain	69	63½	66	70	53700
Capitol	34	29	29	33	76500
Castle Tre.	1.34	1.20	1.32	1.29	168475
Chaput H.	11	8	11	8	52800
Clifton	1⅞	1¾	1¾	2	2000
Coniagas	4.35	4.25	4.35	4.25	575
Coniarum	3.80	3.70	3.70	3.70	790
Col. Kirk.	4	3	3	3½	28500
Cons. Smelt.	244	233	235	244	6704
C. W. Dome	25	21	23¼	21¼	187500
Crown Res.	9¼	8¼	8¼	8½	15500
Dome Mines	11.10	10.10	10.10	11.00	2420
Don Rouyn	45	35	45	40	10600
Dupuy	33¼	31	32¾	32¼	27600
Duprat	20¼	18¾	19½	19	208400
Fiske	14½	14	14	15	4500
Everett	5¼	5	5¼	5	14200
Goldale	34½	33	33	32	14750
Gold Hill	50	45	47½	45½	84750
Gold Reef	1¾	1½	1¾	2	15000
Gladstone	35½	35	35½	35	1500
Hillcrest, pr.	80	80	80	80	50
Hill Top	22¾	21½	22¾	22	6100
Hollinger	19.20	19.00	19.00	19.15	4330
Indian	5	4½	4½	5	5500
Int. Nick., c.	37⅜	35½	35½	36⅛	2883
Jay Copper	76	75½	75⅝	75⅛	126750
Keeley	1.55	1.50	1.50	1.54	61525
Keora Mines	18½	15½	18½	16½	41950
Kirk. Hunt.	14½	13½	13¾	15	45600
Kirk. Lake	1.09	99	99¾	98½	127295
Lake Shore	14.50	13.60	14.25	13.65	7675
Lakeside	3	2¾	3	3	20500
Laval	25½	24¼	24½	24¼	33050
La Rose	8	7	8	8½	6620
Lorrain	4	3½	3½	4	15450
Lorrain T. L.	55	55	55	50	600
Macassa	37½	36	36	37	5600
McKinley	11	10	10½	10¾	42440
McIntyre	24.50	24.00	24.30	24.60	6205
Millcrest	6	5⅜	6	6	20600
Mining Corp.	3.25	3.05	3.15	3.32	26975
Moneta	16	16	16	14½	2000
Mont. Rouyn	48	30¾	40	31	83250
Noranda	19.45	18.10	19.30	18.24	36136
Newray	37½	37	37	40	1900
Night Hawk	7	6	6¼	7	8500
Nipissing	5.65	5.40	5.60	5.75	5300
Ophir	1⅞	1⅝	1¾	1½	6500
Pete. Lake	9⅞	9	9¾	8¾	32000
P. L. Cobalt	29½	27	29½	27½	255744
Porc. Keora	9	9	9	9	500
Pioneer	90	86	88	90	15800
Premier G.	2.07	2.02	2.05	2.05	8300
Preston	8	7¼	7½	7½	10700
Rouyn	2½	2½	2½	2½	3500
Rouyn, Que.	1¾	1¼	1¾	2	2500
South Keora	14¾	12	12	12½	29100
Stadacona	43	42	42½	42½	55950
Teck Hughes	4.78	4.46	4.64	4.47	108565
Tough Oakes	43½	40	43	43	53800
Towagamac	4.00	3.15	3.70	3.27	7360
Vic. Silver	7	3½	6	3½	132800
Vickers	89	80	89	83	34300
Vipond	1.72	1.69	1.71	1.70	40875
Wasapika	1½	1¼	1½	1⅛	3000
West Tree	2½	2½	2½	2½	6000
Wettlaufer	4½	4½	4½	5½	2000
Wigwam	7	4¼	6	5	7800
Wright Har	8.70	8.60	8.70	8.70	4970

Mineral Exploration on Wide Scale in Canada

The Canadian Bank of Commerce in its monthly letter for October says: "The Dominion Government's recent report on mining for the first six months of 1926 shows an increase of production in most mining areas and greater activity in almost all branches of the industry. The total value of all minerals produced amounted to about $98,000,000, an increase of $8,000,000 over the corresponding period of last year. As prices for three of the principal products of Canadian mines, silver, lead and zinc, have been lower than in 1925, the actual increase in production is larger than the figures of total value indicate. The principal increases in production are as follows: Copper, 18,000,000 lbs.; zinc, 12,000,000 lbs.; lead, 10,000,000 lbs.; and silver 2,000,000 ozs. The production of gold increased by 61,700 ozs. In the non-metallic group the chief increases took place in coal, asbestos and crude petroleum.

"Almost all the known mineralized regions of the country are being explored on a large scale, and while no new important discoveries have been made recently, the findings in many of the mines and prospects have been sufficient to warrant further large expenditure, and it is confidently expected that new and rich fields will be developed, particularly along the pre-Cambrian plateau which extends through the northern parts of Ontario, Quebec and Manitoba."

McINTYRE PROGRAM PROCEEDS STEADILY

Increase in Ore Reserves, Broken Tonnage and Reduced Costs Announced

Interesting details about the program of expansion at McIntyre Porcupine Mines were given at the annual meeting. R. J. Ennis, general manager, stated that the average daily tonnage was 200 tons above the amount being handled by the mill a year ago. In other words, the mill is treating 461,000 tons a year, as compared with about 400,000 tons a year ago. The ore reserves of the mine have increased appreciably. Broken ore is up 90,000 tons and the cost of this is included in current operating costs. Mr. Ennis stated that he did not expect costs to run over $4.35 a ton for the current year.

It was announced that the new central shaft will be completed to a depth of 4,150 feet by March 31 next. It will take an additional 60 days for the installation of equipment. The expectation is that the new shaft will be ready to operate by June 1.

Mr. Ennis said that No. 3 vein has become a very important ore body. Its known extent is from the 1,500 to 2,125 foot level. It has been located with the diamond drill at 2,325 feet. No 10 vein, which was previously reported as averaging $6, has given better results in drifting to the west and in raising for the 2,875-foot level. A large body of $8 ore has been proved up. Mr. Ennis emphasized that attention has been concentrated on mine development. When the new shaft is completed, he said that could start on ore development, which obviously gives greater visible returns than the preliminary work now in progress.

Lakeside-Lorrain Plans To Sink Diamond Drill

G. H. Hollingshead, president of Lakeside Lorrain Silver Mines, has issued a lengthy statement. Mr. Hollingshead writes that, following out the plans of the board of directors which were passed at the meeting held in Toronto on July 15th, an exhaustive research was made into the conditions surrounding this property.

After giving a description of the property showing its favorable location the letter continues:

"M. P. McDonald has been engaged as its engineer and is superintending the work on the property. It is upon his advice that diamond drilling will be undertaken.

"In view of the exploration work that has been done, it might be mentioned that it developed that the acquisition of the adjacent property should be made and the directors are pleased to announce that a deal has just been concluded whereas Lakeside Lorrain has made a purchase which brings its property directly to the contact of the Nipissing diabase sill. More will be mentioned on this feature later.

"The whole substance of this report to the shareholders means this: Lakeside Lorrain is just forty acres from H. R. 54 and is at an angle of 45 degrees southeast from the Nipissing diabase sill, and everything points favorably to its future development."

AMERICANS ARE INTERESTED

The Algonquin property in West Shining Tree is being sampled in the interests of United States investigators; mining operations have been conducted for the last two months, and a heavy mineralized vein system has been opened up.

GOLD PLAYING OUT ON AFRICAN RAND

Great Mines Are Being Given Only a Few Years to Operate Successfully

CAPE TOWN.—A note of warning that the world's greatest gold field, the Witwatersrand, is entering upon a period of decline has recently been sounded by the most eminent mining authorities, among them Sir Robert Kotze.

Every mine on the Witwatersrand has had the span of its existence fairly accurately, if conservatively, forcast. In 1924 there were ninety-two producing mines, from which 28,705,326 tons were milled and 9,403,762 ounces of gold produced. Of these two have now ceased operations, nineteen with a capacity of 6,620,000 tons are estimated to last less than five years, and eleven with a capacity of 7,078,000 tons from five to ten years.

The mines of the Rand, which contribute 51 per cent. of the country's annual revenue, yielded last year £39,502,000 worth of gold and other minerals, and disbursed in working expenses £27,820,000. In five years' time mining companies will be spending some £6,000,000 per annum less than they are spending at present. In 10 years' time the decline in their expenditure will amount to something like £13,000,000 per annum, and in fifteen years' time to more than £22,000,000 per annum.

"For some years past," says the government mining engineer, Sir Robert Kotze, in his latest report, "no new mine has been opened up on virgin ground, and for the continuation of operations on the scale now obtaining it is necessary that new producers should be created."

Sam Evans, in a paper read recently to the South African Congress for the Advancement of Science, said an impartial investigator with knowledge and experience of economics and mining would be forced to conclude: (1) That the disregard of the sound principles of economics and finance and the consequent overtaxation and over regulation of the gold mining industry by our governments, more particularly since Union, have obstructed the influx of European capital to open up new mining ventures and have curtailed the gold output of and the duration of profitable operations on the Rand by fully 30 per cent., probably more; and (2) that had the present conditions as to taxation and government interference with mining prevailed in the early days of these fields, John Hays Hammond and Hennan Jennings would never have advised Cecil Rhodes and Alfred Beit to spend millions on the deep levels, and as a consequence there would have been no Rand to-day.

Progress Being Made On Teck-Hughes Mill

KIRKLAND LAKE.—Good progress is being made on the construction of the new mill at the Teck-Hughes Mine. No time is being lost in completing the first unit. It is likely that the complete unit will be ready some time next spring about the time shaft-sinking is finished. Part of the first unit will be operating soon after the end of the year if present expectations are realized. Structural work on the mill is well under way, and the management looks for it to be completely housed in less than a month. A lot of the equipment will likely be on the ground in a week or two.

The program which the Teck-Hughes has been carrying out this year with a view to putting the property on a larger tonnage basis has been a big one. A visit to the property shows a general expansion. Camp accommodation has been enlarged, shop facilities increased, and arrangements made for a greater supply of water. Further, more development results are proving satisfactory. While the management is not giving any publicity to assay results from the ore bodies located at depth, they are not denying that they are favorable.

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CARIBOO COUNTRY DOING VERY WELL

Placer Operations Continue Profitable While Quartz Operations Are Being Added

From Our Own Correspondent

VANCOUVER. — Development of quartz mining in Cariboo country, which, until now, has been regarded as a placer country almost exclusively, is regarded as one of the most promising features of the mine situation in central British Columbia.

Philip Harrington, Seattle, is now operating claims at Big Bear, near Cedar Creek, and has got together several carloads of ore which he will ship to Trail for a test, and, if this is satisfactory, important developments are anticipated.

As for Cedar Creek itself, regular shipments are being made from the hydraulic operations managed by Barney Boe, of Vancouver, who has a 75 per cent. lay on the production, and is now reported to be making good money after spending $70,000 on what first appeared to be a losing venture. A recent weekly clean-up yielded more than 200 ounces of gold, and, as the outfit is a comparatively small one, this is regarded as highly profitable.

Cedar Creek is reported to have produced between $600 000 and $700,000 since operations commenced there, following the discovery of the famous "nugget patch" by Platt and Lynes in the fall of 1920. There are upwards of 100 prospectors engaged in various parts of Cedar Creek country and most of them are doing well. Several hydraulic plants are now taking out gold in the neighborhood of Quesnel Lake.

PEACE RIVER OIL HUNT LOOKS BETTER

Water and Gas in Victory Well Under Control — A Problem of Long Standing

EDMONTON.—Advices from the north are couched in optimistic tones regarding recent developments on Victory well of Western Provinces Oil Co. The drillers have at last harnessed the heavy flow of water, and further demonstrated that they can handle the gas as well. It is stated that the 10-inch casing is bailed down 500 ft. This is the first well in the Peace River country that struck the big gas on top of the Devonian formation that could be bailed down. All the rest of them, once they struck the gas, threw water over the top of the casing. Now that it is demonstrated that both water and gas in the Peace River field can be stopped, there is no question about successfully cementing the 10-in. casing to the wall of the hole, and, once that is done, open up the sands from which the light oil and wet gas are coming. When the drillers got circulation into the well, light green-colored oil appeared outside the 10-in. casing at the top. There is lots of gas, good gas, which means wet gas. About a dozen wells had tried to combat the water in this field and failed. By the end of this month the well should be ready to be drilled in.

This is another western pioneer oil operation that has kept on trying when, to the average person, commonsense dictated that the field should be abandoned. Many geologists have spoken favorably of the field, but it was a driller's job to get past the water to the oil.

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Beaver's Assets Are Materially Higher Now

The much-discussed Beaver report, to Dec. 31, 1925, shows a stronger position because of the betterment in the market for Kirkland Lake shares. Assets include Beaver mine and plant at Cobalt; a 90 per cent. interest in the Beaver Auxiliary (120 acres), at Elk Lake, with plant; 1,240,027 shares of common stock of Kirkland Lake Gold Mining Company, which cost Beaver 15 cents per share; 500,000 shares of preferred stock of Kirkland Lake Gold, retirable at $1.10; and it has paid to its shareholders to date $710,000.

"Although the Beaver property at Cobalt appears to be practically mined out, you have in the Beaver Auxiliary at Elk Lake what is believed to be a splendid silver prospect, as some very rich ore was found in the early days on the 200-foot level.

"In April, 1925, it was decided to dewater the shaft at Beaver Auxiliary and have the property thoroughly examined, and, if deemed advisable, renew development work. This was done, and, upon recommendation of the board, J. B. Tyrrell was engaged to make a thorough geological examination and report. Upon receipt of this report, a contract was made for diamond drilling. The drill showed the contact between the diabase and conglomerate to be about 800 feet from the surface. The drill continued through the conglomerate for 260 feet; assays taken from the drill core every 5 feet for 100 feet above the contact and 100 feet below the contact gave silver values in all but six assays. It was then decided to sink the shaft to 800 feet, but at 762 feet a heavy flow of water gave us considerable trouble and forced us to discontinue shaft sinking for the time being. However, some lateral work was done at the 5th, 6th and 7th levels."

New Plant at Conroyal Mines

Conroyal Mines at Kirkland Lake, formerly the Kirk Gold Mine, is now installing an up-to-date plant, and has started an active underground development campaign.

Kirkland Mill Starts

The mill on the Kirkland Lake Gold Mine has gone into operation. This event marks the culmination of the past two and one-half years' efforts to bring Kirkland Lake mine into production on a satisfactory basis, and a feature of the situation is that the company still has in its treasury a substantial amount of the money subscribed under the present regime when it was decided to seek important ore bodies at the lower levels.

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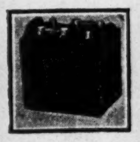
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News of the Mines

AGRICULTURE TO FOLLOW ON HEELS OF THE NEW MINES

This Has Been History of the Older Provinces

WINNIPEG.—"In no country in the world is there a better outlook in the mining industry than in Canada, and we may expect the industry to expand, and that rapidly." This was the statement, based on thirty years' experience, which Dr. Charles Camsell, Deputy Minister of Mines, made before a gathering of the business men of Winnipeg.

This statement, Dr. Camsell said, was based not only on the well-known and oft-declared fact that Canada possessed a vast territory which was unprospected and undeveloped, but more on the almost unbelievable increased demand in the world to-day for new mineral resources.

"Mineral production and consumption in the entire world has been greater during the last 25 years than in all the preceding years of which man has record. When you consider that the use of minerals and metals has been going on for at least 6,000 years, that fact is rather startling. Take the case of copper, for instance. In the ten year period prior to 1820, the production of copper was 96,000 tons. In the corresponding ten year period in this century it was 10,000,-000 tons."

Then mineral resources were not inexhaustible, the speaker reminded his audience. Even in Canada places were to be found where mines had been exhausted. In Great Britain and the United States there were numerous instances of it. "As the older mining countries exhaust their mines, they will look to the new countries for new ones. They will look to Canada. The United States will force the development of our mineral resources as they have forced the development of our timber resources, in order to meet their own requirements."

Even as mineral deposits were limited in extent, so they were erratically scattered. For instance, there were only two known asbestos mines, those in Quebec and in Rhodesia. This was causing the countries of the world considerable concern, and the question of distribution and control of world mineral resources had been taken up by the League of Nations, which, after an exhaustive study, have declared that free trade is the only solution they see for the problem of guaranteeing that all notions of the world get their share of mineral supply.

Agricultural development followed on the heels of mining development, Dr. Camsell pointed out, showing how parts of British Columbia, Quebec, and most particularly Northern Ontario, had been developed agriculturally as a result of the opening of mines. The same would happen in Northern Manitoba, he predicted.

West Dome Lake Has A Substantial Income

SOUTH PORCUPINE. — During the first nine months of the current year, according to preliminary figures, the output of gold from Consolidated West Dome Lake Mines will amount to approximately $200,000. The final figures may show income slightly over $200,000.

Since the beginning of the year, the ore has been carrying about $8 per ton, for an average recovery of approximately $7.40 per ton. The mill has operated steadily at an average rate of 100 tons daily, for total of approximately 27,000 tons during the nine months.

Premier Gold's Dividends

Another dividend of $400,000 has been declared payable about October 3rd to shareholders of record Sept. 15, which brings the total amount paid by this company to $9,940,625. There seems to be no reason to hesitate in buying Premier, on account of their past record and the prospect of continued dividends of a substantial character. The yield on the amount invested at the present market price is over 14 per cent., which is certainly a greater amount than can be obtained in many other similar mining stocks.

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will keep you in touch with the money-making opportunities provided by day-to-day mine expansion in Northern Ontario.

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Castle Trethewey is Making Good Progress

Reports of aggressive development work in progress at the property of Castle Trethewey Mines, were given at a recent meeting of shareholders. Development work is proceeding at the rate of 1,000 feet a month. It has been decided to proceed with the sinking of the No. 1 shaft from the 300 to the 600 foot level, in view of the success obtained on the Castle as well as on the adjoining properties.

It was explained to the shareholders that the $75,000 advanced to the power company is interest-bearing. It is being rebated to Castle-Trethewey at a rate equal to one-half the power bill. At the present rate of consumption the loan will be paid back within four years. The power requirements at the mine are increasing, and it seems likely that the rebates will be made entirely within the next three years.

DIVIDENDS TAKE SMALL FRACTION OF GROSS SALES

Corporations Pay Shareholders Only 3½% of Total Receipts

An average of only three and one-half cents out of every dollar of gross receipts annually of corporations is applied to cash dividends, even in years of exceptional prosperity, according to a survey recently completed by the National Industrial Conference Board. Across the line dividends in 1923, the latest good year from which representative data are available, ranged from an average of 7 per cent. of the total receipts among corporations engaged in financial operations, such as banks, insurance companies and the like, to as low as an average of 1.2 per cent. of total receipts in wholesale and retail trade.

In the same year transportation and public utility companies disbursed 6.3 per cent. of their gross receipts as cash dividend, while the manufacturing concerns total amounted to only 3.6 per cent. of total receipts. Dividends paid by the mining industry, while amounting to 6.1 per cent. of the companies' aggregate revenue, were paid almost entirely out of reserve funds, only one-fifth of one per cent. of their total receipts representing net profits for that year.

Sums for Expansion

"The total amount set aside in 1923 for improvements, expansion, making up previous losses and other capital reserves represented little more than 2 per cent. of the total receipts of all corporations," the Board's report says, "and 2.6 per cent. was charged to depreciation. This 2 per cent. of gross receipts not disbursed as cash dividends also covers the item of stock dividends which loom so large in creating a popular impression of great prosperity in the case of a few individual companies.

"By far the greatest proportion of the gross income, 86.8 per cent., or nearly nine-tenths of the total receipts of all corporations in 1923, went into operating expenses, wages, cost of materials, fuel, power and supplies, officers' salaries and miscellaneous overhead expenses. Taxes claimed 2.2 per cent., and interest on borrowed capital amounted to 2.8 per cent.

Wages and Supplies High

"In the manufacturing industries, wages, materials and supplies consumed approximately 70.7 per cent. of the total receipts, while such fixed charges as taxes, interest and depreciation in 1923 absorbed another 5.3 per cent., officers' salaries, 1.7 per cent., and the miscellaneous overhead expenses, 16.2 per cent.

"Contrary to popular impression, the margin of total receipts representing new profits of corporations engaged in wholesale and retail trade is smaller than in any other line of business activity. It amounted to only 2.6 per cent. in 1923, and strikingly reflects the prevailing tendency of large turnover at a small profit per sale. Only a little more than 1 per cent. of the total receipts was paid out as cash dividends in 1923 by the trading corporations, 1.4 per cent. of their gross income representing earnings set aside for expansion, improvements and to make up past losses."

Development at Gold Hill

Developments on the Gold Hill property in Boston Creek recently have continued satisfactory, according to D. H. Angus, president. Electrical power should be available next month, which will facilitate operations considerably, and when the new plant which is under order is ready for operation, which it is expected it will be by January, the management will be able to conduct work on the property on an intensive scale.

Discoveries at Cobalt Contact

Latest exploration work at the Cobalt Contact Mines, it is reported, has revealed new sources from which ore in large quantities may be uncovered. The mine is developing some very valuable ore and the mill is putting its second carload of concentrates on its way for shipment. It is only a matter of a month or so when the mill capacity will have to be increased in order to meet the additional ore production from these new sources.

Developments at Eddy's

MONTREAL.—Victor M. Drury, president of Drury and Company, has been elected a director of the E. B. Eddy Company. It is understood that Mr. Drury has purchased the minority interests in the company, and that further developments may be pending. Other directorates of which Mr. Drury is a member include the Foundation Company of Canada, the Canadian Car and Foundry Company, the Porto Rico Railway Company, Calgary Power Company, Canadian Steel Foundries, Cuban-Canadian Sugar Company, Brandram-Henderson Company, and Price Brothers and Company.

INSURANCE RATES AND INSTALMENT SELLING PROBLEM

Man Who Pays Cash May be Charged Higher Rate, Says Foster

Speaking before the Sixth Annual Convention of the Ontario Fire and Casualty Insurance Agents' Association this week, R. Leighton Foster, Superintendent of Insurance for Ontario, pointed out that within the last year, automobile insurance rates had been thoroughly purged from unfair discrimination. To-day all schedules of rating had to be filed with the department, and all amendments had to be submitted ten days in advance of the actual change in schedule. As to the rating on individual cars, the situation was considered to be entirely satisfactory, the department being thoroughly informed about the actual schedules, and using its authority only when there were actual cases of unfair discrimination. With regard to the schedules for group insurance, the situation was not so satisfactory, the only reliable schedule based upon experience, being the Underwriters' rating which was borrowed from New York. Fleet or group rating, according to Mr. Foster, arose through misunderstanding of the principles upon which group life insurance was based, and while to forbid it would be unfair, grouping had a peculiar experience of its own, which must be understood. In New York, fleet rates were surcharged, a practice unheard of as yet in Ontario.

The question of wholesale automobile insurance, declared Mr. Foster, was rapidly becoming a very vital problem. The term wholesale applied to fire and theft insurance, placed through a finance company and sold automatically with the purchase of every new or used car, bought on the deferred payment plan. Since 80 per cent. of car sales were made in this way the significance of the problem was at once apparent. "Should the buyer who pays cash for his car pay twice as much insurance premium as the person who buys on the deferred plan?" According to Mr. Foster no discount should be allowed, and the purchaser, whether he pay by cash or by instalment, should receive his insurance on equal terms. Another phase of the problem which was referred to was the fact that finance companies sometimes charged the instalment purchaser the full price, but kept the difference themselves. The form of contract was also discussed, and Mr. Foster stated that the department now demands a properly signed contract, stating the amount of the premium on the face of it. Another unfair practice was the habit of some finance companies adjusting any loss payment with the company without referring the matter to the owner.

T. Alfred Fleming, supervisor of the Conservation Department, National Board of Fire Underwriters, New York, spoke on "Selling Goodwill Insurance." Mr. Fleming spoke of the agent's duty to the insured, to the company, and to himself, and emphasized the fact that the fundamental basis of the agent's work was goodwill. E. M. Trowern, of Ottawa, discussed the operations of some mutual fire insurance companies in relation to trade organizations, and strongly denounced the methods employed by certain companies which were operating in Canada.

Other speakers were George M. Orr, of Toronto, who gave a general outline of the agents' qualification law as applied to Ontario, and E. V. Chown, general secretary, Canadian Life Underwriters' Association, who spoke on the need of co-operation between the life underwriters and the Canadian Fire and Casualty Association. Edson S. Lott, president of the National Casualty Co., of New York, spoke on "The Insurance Agent vs. the Commission Grabber."

Credit Institute for Canada Now Planned

At the meeting of the Canadian Credit Men's Association, at Vancouver, it was unanimously decided to investigate the establishment of a Canadian Credit Institute in connection with the association—"having a proper and adequate curriculum, recognized degrees and practices, and that this convention do now appoint a commission of seven to make enquiries as to the feasibility of forming such an institute, and, if so found, to draft a suggested organization, rules and regulations, and a curriculum, and to report fully at next convention of this association."

The necessity for co-operation with the retail merchants in an effort to combat the abuses from which the retail trade are suffering, as well as the education of retail merchants along proper business lines, was one of the subjects that received a great deal of attention, it being felt that there was a great need for the wholesalers and retailers of the Dominion to get together for their mutual benefit.

U.S. Chamber of Commerce to Study Credit Machinery

WASHINGTON.—A broad study of the banking and credit machinery of the country, with special attention to the operations of the Federal Reserve System in normal times, will be undertaken under the general auspices of the Chamber of Commerce of the United States.

The main objectives of the study are to differentiate between the operations of the country's credit machinery in the more normal situation of the past two years as contrasted with the emergency conditions of the previous eight years; to develop broad and sound conclusions as to the permanence of various functions of the Federal Reserve System, and to promote public understanding of the nation's financial mechanism in the light of the new economic situation of the country.

The study will be conducted by five committees, which will include representatives of labor, agriculture, commerce, industry and finance. These committees have been asked to devote a year to the project.

HARVESTING AGAIN IS IN FULL SWING ON THE PRAIRIES

(Continued from page 1)

at the beginning of August, and the grade will be good to very good. The most conservative estimate of the wheat yield of this province is now placed at about 210,000,000 bushels, while many speak confidently of a crop of 225,000,000 bushels.

No estimates are coming forward to the yield in the other two provinces, but even allowing for a substantial decrease from the anticipated returns first reported, there is every prospect that the wheat yield of the Prairies will run to 350,000,000 bushels and possibly even more.

At the present time the outlook for marketing the crop holds promise of a good "dollar" return to the farmer. Owing to the increasing qualities of wheat that has started to move, prices on the grain exchange have fluctuated considerably from day to day, but there is a noticeably firm undertone to the market, indicative of the fact that there is not going to be any great spread between supply and demand for the present crop year.

On this basis, the prospects are that the financial returns to the farmers for their crop will stack up well with what they received last year, so that, on the whole, they should have just as much money to spend during 1927 as they had this year.

Shoe Industry for Edmonton

EDMONTON. — Edmonton will soon have another industry added to its lists. It is expected that the Universal Shoe Manufacturing Co. will commence making shoes some time during October. The initial output will be approximately three hundred pairs daily, and it is reported that when operations are properly under way a tannery and a harness-making plant will be added.

Montreal Nears Million Mark

Continued growth in the population of Montreal, both in city and suburbs, is shown in the 1926-27 edition of Lovell's Montreal Directory. The estimate for Montreal proper is 952,875; suburbs, 124,959; Greater Montreal, 1,077,834. Last year's estimates by the same directory were: Montreal proper, 907,500; suburbs, 120,500; Greater Montreal, 1,-028,000.

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How Hail Insurance is Undermining Mortgages

Premiums Are Collected on the Same Basis as Taxes—Charged Against the Land as Well as Against the Crop

By H. A. HOWARD,
President, Mortgage Loans Association of Alberta at annual meeting of Dominion Mortgage and Investments Association.

In 1901 the legislature of the Northwest Territories passed an act called "The Hail Insurance Ordinance," which is the first instance that I can find of the government entering into the hail insurance field in this province. By that act the writing of hail insurance was confined to the government. Insurance was fixed at $4 per acre and the premium rate at 15c. per acre payable in cash with the application. If the premiums were insufficient to meet the losses the deficit was met out of the general reserve of the Northwest Territories.

In 1910 the ordinance of 1901 was repealed and a new act passed. The only material change in the act was to increase the premium rate from fifteen cents to twenty-five cents per acre. Converted to a rate on the insurance carried, which remained constant at $4 per acre, this was equivalent to a rate of 6¼ per cent. as compared with 3¾ per cent. under the previous act.

In 1912 the government passed legislation removing these limitations and enabling companies as well as the government to write hail insurance.

This continued in force until 1915 when the legislature passed the "Municipal Co-operative Hail Insurance Act" and in this we find the origin of the present hail insurance board. While the act has been modified from year to year the method of organization and operation remains substantially the same as set up in the 1915 act.

The unit of membership is the municipal district, any such district being eligible for membership upon its rate-payers passing the necessary by-laws and on complying with certain simple formalities. There are at present upwards of 130 districts comprising the membership. Each municipal district appoints one representative to attend an annual meeting where nine directors are elected forming the "Hail Insurance Board of Alberta." The board constitutes the executive and administrative head of the organization.

The secretary-treasurers of the various municipal districts are the active agents of the board in the administration of the act within the limits of their respective districts. Applications for insurance must be made to such secretary-treasurers and may be for six, eight or ten dollars per acre as the applicant may desire. Policies are issued from the head office of the board at Calgary. No provision is made for the payment of any cash with any application, although sufficient is deducted from the amount of any indemnity payable as a result of a hail loss to cover any current or arrears of premiums. Each municipal district is allowed five per cent. of the premiums collected by it as compensation for its services.

About the first of October in each year the board summarizes the amount of risk carried and the total of the losses payable and strikes a rate per cent. of insurance for that year. By an amendment passed in 1925 this rate may be different in the various parts of the district.

Included in Tax Levies

Each municipal district is required to levy an assessment on the lands covered by each application at the rate fixed by the board. These hail premiums are included in the tax levies of the current year along with other taxes of various kinds and are subject to the same method of enforcement as municipal and other similar taxes.

It is doubtful whether the hail insurance taxes levied under the provisions of the 1915 act enjoyed any priority over mortgages as a charge against the land. In 1917 an effort was made to correct this by adding an amendment providing that these hail insurance rates "may be collected by any manner provided for the collection of other municipal taxes."

While plenty of machinery had been provided for the collection of these premiums it was still doubtful whether these rates took legal priority over mortgages, but in 1918 and in 1921 new acts were passed and the method of collecting premiums was further tightened.

No one can successfully contend that hail insurance premiums are taxes any more than are fire insurance premiums or life insurance premiums, or any of the other debts that the farmer contracts in the purchase of the commodities he uses in the conduct of his business. But the legislature of the Province of Alberta has solemnly passed an act declaring that hail insurance premiums are municipal taxes. In doing so it has been made possible to charge the land with hail insurance premiums which rank the same as municipal and other taxes and take priority over all other encumbrances, including first mortgages of record before the passing of the act.

It is to be noted that the Alberta Mortgage Loans Association has from time to time vigorously but unsuccessfully protested against all of these encroachments on the rights of a first mortgagee.

From the point of view of the mortgagee the principal objection to the legislation is that it is a retroactive interference with rights established by contract before the Hail Insurance Act became effective, but to illustrate some of the objectionable features, I have subdivided them into several headings:

(1) The hail insurance premiums are collectable as taxes, and enjoy the same right of priority over all encumbrances as legitimate taxes.

The fact that they are not taxes has been recognized by the legislature when it passes special legislation declaring them to be municipal taxes. There is no more justification for making these premiums taxes by special statute than there is for making collectable as taxes, any of his other insurance, or his grocery bill or his harvesting expenses or any other debts he creates.

(2) The insurance can be placed by the owner of mortgaged property without the knowledge or consent of a mortgagee or other encumbrances.

Insurance must be applied for, but if more than one year's premiums are in arrears, insurance will not be granted. If, however, the mortgagee is compelled to pay arrears of premiums to protect his security, the borrower can then obtain further insurance which also has priority to his mortgage. Frequently the first knowledge a mortgagee has of the placing of insurance is when the premiums are discovered in the statement of unpaid taxes issued by the municipality.

(3) A purchaser in possession may obtain insurance and encumber the land with taxes for the premium.

There is nothing to indicate the nature of the agreement with the purchaser that would be acceptable to the board, and it is quite possible that very inadequate agreements might be considered by the board as sufficient to grant insurance.

(4) A mortgagee cannot require municipal hail insurance to be placed unless the mortgagor is willing to do so, nor can he compel the loss to be made payable to him as mortgagee. The mortgagee has no control whatever over the placing of the insurance, nor has any means been provided whereby he can avoid being compelled to pay the premiums as taxes.

(5) Where borrowers are also indebted to banks the policies are frequently pledged to the banks as collateral, or the loss made payable to them, although there is no responsibility on the part of the bank to pay the premiums and frequently at the conclusion of the season's operations the premiums are left for the mortgagee to pay or remain as a charge against the land. If unpaid the land may be confiscated under the provisions of the Tax Recovery Act. The more complicated the borrower's financial affairs the greater becomes the burden to the mortgagee on this account.

(6) In case of a hail loss a mortgagee is unable by any process of law to attach any money payable to the insured in satisfaction of the loss. The act specifically provides that "the indemnity herein provided shall be exempt from garnishment, attachment and execution." (Section 28, Sub-section 3). Until 1925 a mortgagee holding a lease under the Crop Payment Act was entitled automatically to share in the proceeds of any hail leases so long as the board had notice of the existence of the lease. The section providing that right was repealed in 1924 and now it is quite impossible for a mortgagee to obtain any portion of hail losses by any process of law.

(7) The collection of premiums as taxes is an unjustified burden on the mortgagee. That the amount of these so-called taxes is a heavy burden to the mortgagee and results in heavy losses cannot be denied. In Sept., 1925, a bulletin prepared by your secretary disclosed some most interesting information that cannot be disputed, taken as it was from tax notices issued by various municipalities.

An analysis of the taxes on 314 quarter sections showed that hail insurance premiums were 162 per cent. of all other taxes put together; $39,000 of hail taxes as compared with $24,000 of all other taxes. These 314 quarter sections are typical cases and no doubt an examination of hundreds of others would disclose a similar condition. While the average relation of hail taxes to other taxes is 162 per cent. there are many cases that show a percentage much higher than that. I have a notice of taxes on a section of land, 640 acres, in which the hail taxes for 1923 amount to $728.40 as compared with $180.54 for taxes of all other kinds for the same year. In that case the hail taxes were 400 per cent. of all other taxes put together. The hail insurance taxes for two consecutive years on that section of land amounted to $1,550, or about two and a half dollars per acre for hail taxes alone—over ten per cent. of the assessed value of the land. Can anyone contend that a charge of over fifteen hundred dollars for hail insurance premiums on a section of land does not constitute a serious menance to the security of a mortgagee.

The Logical Solution

The purpose of hail insurance in this province is to protect the farmer against the partial or entire loss of his crop by hail. It is in no way a benefit to the land because the protection is confined to the crop alone. The premiums should accordingly be properly a charge against what they purport to protect and should not extend beyond that limit.

The logical solution to this trouble is accordingly to remove the right to charge the land in priority to registered encumbrance, and to substitute a charge against the insured's interest in the crop which the insurance is intended to protect, and if it is so desired a lien on the land taking its proper place on the title. Various members of the government and members of the Hail Insurance Board have admitted that the priority over mortgages established by the act is wrong in principle and would be abolished except for the fear that the board would go out of business. No difficulty should be experienced in working out a method that would give the board an effective lien against the crop for the premiums protecting it against hail loss. Mortgage lending corporations are not in favor of the creation of additional liens against the crop for any purpose. There are already too many such liens that can be charged against a crop.

Mortgagees feel in any event that it is unfair that hail insurance can be placed without their knowledge or consent especially where the premiums take priority over their security on the land. In most cases a mortgagee would be glad to have the crop insured in any way that the mortgagor desired, but there is a small percentage where the mortgagee should be in a position where at least his consent should be obtained because it is in this percentage that much loss is sustained.

The mortgagee's objection would, of course, be largely overcome if his consent were required in cases where due notice has been given to the Hail Board by the mortgagee before a fixed date, say May 1 in each year. Such a notice could be in a form fixed by the act and could have the effect of preventing the board from issuing a hail insurance policy covering the crops grown on the land stated in the notice without the consent of the mortgagee.

As all applications for insurance are made to the secretary-treasurers of the various districts these officials could be supplied with a list of all the properties in their respective districts as to which notices from mortgagees had been filed so that applicants could without delay get in touch with their mortgagees.

Unless some such change is made it is quite evident that a hardship will continue to be imposed on both mortgagor and mortgagee.

U.S. Tourists in 1925 Spent $190,000,000 in Canada

EDMONTON.—United States tourists spent in Canada in 1925, it was estimated, $190,000,000. and every basic industry was thereby stimulated, the tourist traffic being responsible for 11 per cent. of the total business done by basic industries in that year, stated J. M. Wardle, chief engineer, Canadian National parks, in an address here on "Tourist Traffic" at the Canadian Good Roads' Association convention.

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"The One Cigarette Sold the World Over"

NEW ISSUE

$30,000,000

Montreal Light, Heat & Power Consolidated

Twenty-Five Year Sinking Fund 5% First Refunding and Collateral Trust Gold Bonds Series A

To be dated October 1st, 1926. To mature October 1st, 1951

Authorized $75,000,000. To be outstanding $30,000,000. Principal and semi-annual interest (1st April and 1st October) payable, at the holder's option, in Canadian gold coin at The Royal Bank of Canada, in Montreal and Toronto, or in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in gold coin of Kingdom of Great Britain at The Royal Bank of Canada, London, England, at the fixed rate of $4.86 2/3 to the £1. Coupon Bonds in denominations of $1,000 and $500 with privilege of registration as to principal. Fully registered Bonds in denominations of $1,000 and authorized multiples thereof. Redeemable in whole or in part on any interest payment date on sixty days' notice at the following prices and accrued interest, viz.: at 105 if redeemed on or before October 1st, 1931, and thereafter at 1% less for each five subsequent years, or fraction thereof. Montreal Trust Company, Montreal, Trustee.

Annual cumulative Sinking Fund commencing October 1st, 1927, sufficient to redeem by maturity one-third of Bonds of Series A.

Legal investment for Life Insurance Companies under the Insurance Act, 1917, Canada

These Bonds are being offered simultaneously in Canada, United States and abroad.

For detailed information, we refer to the prospectus containing letter from Sir Herbert S. Holt, President of Montreal Light, Heat & Power Consolidated, which has been summarized in part as follows:

The Company

Montreal Light, Heat & Power Consolidated operates one of the largest public utility systems in Canada The Company owns over 99% of the issued capital stocks of Montreal Light, Heat & Power Company and of Cedars Rapids Manufacturing & Power Company and, under operating agreements, operates their businesses and properties and receives all their revenues for 98 years from 1916. Directly or through its subsidiaries or associated companies, Montreal Light, Heat & Power Consolidated does all the gas business, substantially all the domestic, municipal and commercial electric light and power generating and distributing business, and has a very important interest in the street railway system, of Greater Montreal, embracing a rapidly growing community of over 1,028,000 population.

Earnings

For the last five fiscal years, the gross income of the Company, and the net income available for interest and dividends on all bonds and guaranteed minority capital stocks of subsidiaries outstanding in the hands of the public and for interest on this issue of First Refunding and Collateral Trust Bonds, were as follows:

Year ended Dec. 31st	Gross Income	Net Income
1921	$13,177,603	$5,340,882
1922	14,318,795	6,413,154
1923	16,017,985	7,332,138
1924	17,302,263	8,228,496
1925	18,282,938	8,649,367

For the six months ended June 30th, 1926, corresponding net income was $4,524,760, or at the rate of $9,049,520 per annum, equal to 3.2 times annual interest and dividend requirements on the above mentioned bonds and guaranteed minority stocks of subsidiaries and this issue of Bonds of the Company.

The above net income figures are after deduction of operating expenses, depreciation and renewal reserves and all taxes except income taxes and after elimination of all inter-company items.

Equity

These Bonds are senior to 2,021,837 shares of no par value of Montreal Light, Heat & Power Consolidated, representing at current market price on the Montreal Stock Exchange an equity behind the Bonds of over $140,000,000.

Security for Bonds

The Bonds will constitute the only present funded debt of Montreal Light, Heat & Power Consolidated. They will be secured by Trust Deed constituting a first specific mortgage and charge on : (1) the fixed assets of the Company ; and (2) the Company's holdings of shares, bonds or other evidences of indebtedness of subsidiary companies; and (3) the Company's holdings of preferred and common shares of United Securities, Limited; and (4) the operating agreements with Montreal Light, Heat & Power Company and Cedars Rapids Manufacturing & Power Company; and (5) certain power contracts with The Shawinigan Water & Power Company. The Bonds will also be secured by a floating charge upon all the Company's assets not covered by the specific charge. These charges will cover all the Company's interest in assets acquired after execution of the Trust Deed. Additional Bonds may be issued under this Mortgage only subject to the conservative restrictions of the Trust Deed.

We offer these Bonds when, as and if issued and received by us, subject to the opinion of Counsel, at :

Price: 99.50 and interest, yielding over 5.03%

Wood, Gundy & Company Limited **Aldred & Company** Limited

The Royal Bank of Canada

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee, but believe the statements herein made to be true.

LUMBER MILLS OF B.C. AND U.S. TO FORM BIG MERGER

Hope is to Put Pacific Industry on Sound Basis

VANCOUVER.—Seventy fir lumber companies operating in British Columbia. Washington and Oregon plan to merge into one central organization in order to put the business on a profitable basis, and to this end a meeting of the different interests concerned was held in Kansas City to draw up preliminary plans. Properties represented at this meeting have a total value of between $350,000,000 and $400,000,000 and if the consolidation is effected, it will be the largest of its kind in the world.

The purpose of the consolidation, it is stated, is to effect a better marketing system for large Pacific coast mills, which are without a nation-wide marketing organization. The companies interested represent about 35 per cent. in the fir belt and are responsible for a cut of two billion ft. annually. A majority of the holdings are in the Gray's Harbor and Willapa Harbor districts of Washington and on the Columbia River.

The plan contemplated calls for the purchase of all assets of the selling corporation for cash or its equivalent in stock in the main corporation. A feature of it is a proposal to bond holdings of the company for $360,000,000, the money to be used to purchase other timber holdings. It was estimated that the bond issue would not exceed 50 per cent. of the value of the merged properties.

It is reported that the Weyerhauser and the Long-Bell interests are not going to join the combine, but will give it full co-operation and will perhaps put some timber in the amalgamation.

Such an arrangement would give these mills a great advantage in the large California market, on account of the short haul. It would cut out much of the competition of Gray's Harbor and Puget Sound, where there are many customs mills that would be unable to get logs. No mills not possessing timber will be taken into the organization.

Certain lumber companies of the states to the south, with ramifications extending into British Columbia, are going into the amalgamation, and are carrying with them the subsidiary or branch operations in British Columbia with the timber stands in this province they can control. At least three large operations in British Columbia are known to be involved.

Lumbermen in Vancouver are not very enthusiastic over this proposed organization, many of them believing that it is a stock-selling plan which will permit many mill operators to withdraw form the industry.

The Finance Minister

Brantford Expositor: By almost unanimous agreement the Robb budget is given the greatest measure of credit for the turnover in the last election. In that fact there is an unconscious tribute to the mind that formed the budget though little is heard of Mr. Robb himself. When he spoke in Brantford and wherever he appeared on the public platform, Mr. Robb impressed his audience as a keen business man with an analytical brain, one who is less concerned over political expediency than over finding the solution of fiscal problems. With no pretence to oratory he held his hearers in the most rapt attention and all felt they were listening to a man capable of mastering big affairs.

The Montreal Gazette, a stronger Conservative newspaper, in discussing the formation of the new administration has this to say of Mr. Robb:

"The public require also a fiscal policy that will reasonably protect established industries against unfair competition. These are questions which emphasize the necessity for prudence in the selection of Mr. King's colleagues. The choice for minister of finance is an obvious one. Hon. James Robb has been singularly successful in winning the respect and esteem of the public, irrespective of party, and the financial world has confidence in him. If Mr. Robb found himself hampered in his financial legistlation by Progressive influence in the last two parliaments, he is happily immune from such retraint under the new conditions. In that respect there is nothing to prevent him from granting the taxpayer real and substantial relief. Men of equal calibre should be found, if possible, for the other portfolios, and especially for that of immigration and colonization. Neither of the party leaders, during the campaign, gave the country any understandable plan or policy for this all-important matter of immigration, or, for that matter of administrative policy generally. But the King government, with a comfortable working majority, will be in a position to deal vigorously with this subject, to their own credit and to the advantage of the Dominion."

The Gazette is right. The King government will now have an opportunity to work out its own policies without compromise and as there are great problems of immigration and national development to be solved, the disposition of the country should be to give the new administration a fair trial.

Federal Aid Again Asked In Building Good Roads

EDMONTON. — Re-establishment of federal aid for road building, was one of the outstanding resolutions passed at the thirteenth annual convention of the Canadian Good Roads Association in session here. Another resolution asked for early completion of the trans-Canada highway. These measures will be submitted to the Federal government at Ottawa.

Hon. George S. Henry, minister of highways for Ontario, is the new president of the association. Other officers elected were: Hon. past presidents: Hon. J. L. Perron, minister of roads, Quebec; Hon. P. J. Veniot, postmaster-general of Canada. Hon. president: Hon. W. R. Clubb, minister of public works for Manitoba.

Purchasing as a New Science Essential in Modern Business

Savings on Costs Are Just as Important as Profits on Sales—Centralizing of All Buying Means Assured Supplies at Lowest Prices

The function of purchasing in modern business has been called the neglected science. Thirty years ago industry as a whole did not require proficient buyers, but with the advent of quantity production, the need has arisen for men who are trained and competent in the art of scientific purchasing. Generally speaking, it is not so very long ago since men were bartering their goods in isolated communities throughout the world. Then came the development of trade routes over land and sea—adventurous merchants travelling hundreds of miles by caravan or by ship to bring fine clothes and rich spices to the great trading marts of the world. Simultaneously with this interchange of products, there sprang up the travelling fairs which journed from place to place displaying their wondrous wares to the amazement of the local villagers.

The application of steam as a source of power, ushered in the new era, which can properly be called the industrial age, and with the coming of the railway and the steamboat, linking the world into a huge commercial unit, we find the units of production growing larger and larger to supply the needs of an ever-increasing market. With every step in the industrial progression we find new problems and new achievements standing like milestones along the way, and to-day we find a vast army of specialists, linked by economic bonds to the uttermost parts of the earth.

New Sciences of Business

Selling has become a science and advertising a national and even international institution with a technique as important as it is unique. Accounting is now considered an essential to good business; office management, an act in itself; efficiency experts are perhaps the newest, but by no means the least important in this army of specialists. Then came the Great War with its ghastly lessons of depression and economic chaos and a new appreciation of the relation between business and economics. To-day economists are studying the business cycle and business men are devoting their minds and money to the vital question of personnel, in order to prevent this great specialized machine from bringing about its own destruction.

At this point, when introspection is the order of the day, we find that buying, or scientific purchasing, in spite of its neglect, gives every indication of being a potential science. According to H. E. Irish, writing in Nation's Business, there are three factors which will have an important effect on business during the coming years. The first is the continuous development of labor-saving machinery, which will undoubtedly continue to engage the energies of scientific industries in the approaching years. The second factor is standardization and the elimination of waste, and the third is purchasing. Mr. Irish predicts that the day of the salesman and the order-giving buyer is over and that the time-honored methods of trading are going down before a new knowledge of costs, market trends and purchasing technique.

New Methods of Buying

It will not be so much a change in what the purchaser buys, as in his methods of buying, which will be defined and limited by three factors: quality, service and price—and in that order. Of course, to accomplish this, the centralization of all purchases is essential. As far as the first factor is concerned it is the experience of the purchasing department which should establish the commercial quality wherever possible. Service, which includes time of delivery, is almost equally important with the first factor, and here again the purchaser has a unique and important function to perform. The third factor, price, is one which the purchaser should be most able to control, but in order to do so he must be closely in touch with the needs and requirements of every part of the business. In this respect the need is evident for infinite study and ability if the function of the purchaser is to be properly fulfilled, and only as a free unit and primary function of the company organization can the purchaser obtain a proper balance between the necessary factors.

If the old methods of relying on the advice of salesmen is to be disregarded, the purchaser must have at his command a real fund of adequate data on scientific purchasing. At present such knowledge can neither be bought nor easily acquired because the science of purchasing is still very embryonic. In view of this lack of correct data some firms have recognized the need for making the purchasing department a primary function in the company and have built up their own organization with great benefit to themselves. One of the most significant factors is buying at the correct time in the market. Under present conditions, purchasing is normally done by the average concern, quite irrespective of the state of the market, and obviously the ability to overcome this handicap gives a decided advantage over a competitor. Another factor is buying at the correct price. This may seem absurd at first, but a careful analysis has often proven that competition does not always give the proper purchase price. Studies of the relative costs of raw materials and the other factors that go to make up price, have often brought to light discrepancies in competitive prices that if corrected may mean a distinct saving to the purchasers.

Standardization Important

Standardization is another very important part of the science of purchasing. Astounding results, with reductions of from 20 to 30 per cent. in unit cost, have accrued from an analysis of a company's various requirements.

The value of the long term contract is only beginning to be appreciated in the purchasing field. Its economies are apparent to both purchaser and seller and if linked up with the other factors in scientific purchasing may be an additional source of profit.

Another important factor in good buying is the cost of bringing material from the point of production to the consumption point. The possibility of geographical zones where there is much buying to be done, especially for more than one plant is very great.

These few factors are by no means the ultimate extent of a scientific purchaser's activity. The field has only just been hinted at and the potentialities are unquestionable. Scientific purchasing is a factor to be reckoned with in the modern competitive world of business. Not only are direct profits from purchasing being made by the firms which have developed this side of their organization, but lower production costs and an actual ironing out of the peaks and depressions in business has resulted. The potential but neglected science has reaped rich rewards for those who have recognized it as a primary function of business.

TO ATTAIN YOUR OBJECTIVE, MAKE A BEE-LINE FOR IT

(Continued from page 10)

business." And off he went to launch Christian Science in England, which he did successfully and became one of Mrs. Eddy's closest counsellors, until one day he was found dead in his library.

Admitted to the bar and also to practice before the Supreme Court when twenty-five—Cochran was born July 1, 1863—he now sought fresh opportunity. It so happened that Los Angeles had been attracting attention by a great real estate boom and everybody was talking about its wonderful growth. Perhaps it was the warm climate of Japan that had caused young Cochran to dislike the rigorous winter climate of Canada.

Ability Soon Recognized

So, to Los Angeles, then a city of 30,000, he went, was promptly admitted to the Californian bar, and hung out his shingle. It attracted no notice. So eager, ambitious—and impatient—was he, that lack of work almost drove him to packing up and migrating to Japan to rejoin his parents. Nevertheless, he refused to use a letter of introduction from a lawyer friend in Toronto to a wealthy real estate owner in Los Angeles. Instead the lawyer-without-clients closed his 11 x 12 office most of the day and moved around to get acquainted. One day he was given several large notes to collect from a real estate magnate, M. L. Wicks. Meanwhile, Cochran had come into contact with the young man from Toronto who was secretary to the wealthy man to whom he had been given the letter of introduction.

The secretary gave Cochran some business and it was executed so satisfactorily that his employer, Daniel Freeman, asked to have the young lawyer brought to his home the following Sunday. There Cochran learned that Wicks had bought a large tract from Freeman and had fallen seriously behind in his payments, notwithstanding that Wicks was cutting a very wide swathe, with a great suite of offices and employees galore, and was living on a grand scale.

Freeman commissioned Cochran to get after Wicks for money. At first Wicks stalled, but Cochran insisted on seeing him or having litigation started. Then Wicks capitulated. A settlement was worked out and the young lawyer got a start on his Californian career, which, in a few years, was to embrace an active business in investments and securities, as well as a wide legal connection. Each year brought more clients. It became recognized that Cochran's brilliant legal ability was matched by his business ability. Even the most influential interests, when launching any new enterprise, were eager to have Cochran identified with it as counsel or officer or director or stockholder.

A Change to Insurance

One project he was induced to become interested in was the Conservative Life Insurance Company. This was to prove the turning point in his career. Having invested his own funds and encouraged his friends to follow his example, he was disappointed in the progress being made, and finally made a flat proposition to buy the company, which later became the Pacific Mutual. The offer being accepted, he applied himself to the task of rehabilitation.

"I found, to begin with," he relates, "that the assets were not making enough money. Therefore, we proceeded to improve the earnings of the company. I found that we were paying too much for business. We cut down costs.

"The chief thing, however, was to make all the people connected with the business loyal and to bring in the very best men. Lee A. Phillips, a partner in my law firm, was one of those I induced to join us, and he has had as much to do with the success of the Pacific Mutual as I have had.

"We went in for paying our people very well. Last year we earned 6.65 per cent. interest on our assets, which is as much as is earned by the average insurance company and a million or two more. If you take part of the additional money which the services of the highest-grade men enable you to earn and pay these men well, and attract other big men, surely it is good business. If you have a sound business, brainy men will earn enough to pay themselves and to yield a good profit. No one man can attempt to run a modern business of magnitude."

RURAL CREDITS FORM OF BONUS TO AGRICULTURE

Advice to the Federal Government by C. C. Ferguson

WINNIPEG.—That the federal government was tackling the problem of rural credits in the wrong way was the attitude taken by C. C. Ferguson, general manager of the Great West Life Assurance Company, in addressing the convention of the Citizens' Research Institute. In the opinion of Mr. Ferguson it would be best if the government stayed out of the field but if it felt impelled to take action it should limit itself to supplementing provincial schemes already in force.

Mr. Ferguson attacked the principle of either Dominion or provincial participation in the furnishing of long term credits to farmers. Their doing so, he said, could only be justified if there had been a virtual conspiracy on the part of private lenders to exact tribute from the farmers, or if the condition of agriculture was such that special government assistance, a form of bonus, was desirable.

The first of these reasons he dismissed as absurd. The second he thought not justified by conditions which now had righted themselves after a few bad years.

Mr. Ferguson suggested that the commissioner charged with the development of a scheme of intermediate credits had found it impossible to formulate such a plan, and had fallen back on a long term credit scheme. "This," he said, "means there has been again a failure to discover any practical method of dealing with intermediate credits, the disastrous experience of the Manitoba government in this connection being an earlier failure on a large scale."

The Bill Criticized

Dealing with the bill itself, Mr. Ferguson said, he did not think the proposed sale of bonds would prove an attractive investment to the public. Even if there are no priorities, such as the initial Dominion government investment in capital stock, the intrinsic security would be large mortgage loans made by the board, perhaps made by inexperienced investors, occasionally influenced by political consideration and with no personal financial interest at stake.

He doubted also if the provinces would care to enter the scheme, since the apportionment of capital stock and of gains and losses would be very difficult.

Canada is Now Making Her Own Rubber Boots

The August report of Canada's trade in rubber shows a very marked increase in business over 1925. Total imports of rubber and rubber products for the twelve months ending in August, 1926, show an increase in value of 80 per cent. over the same period last year. This was due largely to larger consumption of raw rubber, which was bought at much higher prices. During August the importation of raw rubber increased, but prices were lower than at this time last year. The importation of crude, unmanufactured balata, has practically ceased during 1926. Imports of rubber boots and shoes, which amounted to 117,000 pair in 1925, decreased to 53,000 pair in the 12 months previous to August, 1926. Among exports to other countries by far the most important item is that of pneumatic tire casings. The United Kingdom takes nearly one-third of our tire exports, which for August amounted to 92,800, an increase of 37½ per cent. over last year, and which for the twelve-month period ending in August amounted to over 1,000,000, with a value of $13,800,000.

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When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
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RAILWAY EARNINGS

Canadian Pacific

	1926	1925	Change
Week end. Sept. 30	....$6,415,000	$6,518,000	—$103,000

Canadian National

	1926	1925	Change
Week end. Sept. 30	....$8,238,737	$7,814,072	+$424,665

THE ROYAL TRUST Co EXECUTORS AND TRUSTEES

Flash!
IT'S THERE!
The Fastest Method Devised For Transatlantic Messages is
"Via Marconi"
Call any C.P.R. Telegraph Office For Messenger.

100,000 Net Paid Circulation
Guaranteed for 1927

While it is to advertisers that this announcement is particularly addressed, our readers generally will also be interested to know that MacLean's Magazine is forging right ahead.

Advertising Rates will be increased Dec. 1st.

Constantly increasing popularity in all parts of the Dominion has brought this year another 10,000 new subscribers. The circulation guaranteed to advertisers in 1924 was 70,000. For 1926 it was advanced to 90,000. And now for 1927 it is announced as in excess of 100,000. To meet this pace the advertising rates will also have to take a forward step.

Present Rate
80 cents a line
Based on A.B.C. guarantee of
90,000
Net Paid Each Issue

New Rate
90 cents a line
Based on A.B.C. guarantee of
100,000
Net Paid Each Issue

Advertisers Who Buy Space Before December 1st Will Receive a Bonus of 10,000 Circulation Absolutely Free

While contracts for space at the new rate will carry a circulation guarantee of 100,000 net paid A.B.C. the actual distribution during 1927 will undoubtedly average from 110,000 to 115,000 copies each issue.

And all this extra circulation—everything above 90,000—will be given absolutely free for 12 months to advertisers who place their contracts before December 1st, 1926.

Orders placed now will be accepted at the old 80-cent rate to cover space to be used up to and including issue of November 15th, 1927—subject to the customary stipulation that first insertion must appear within 60 days of date of contract.

Every Eighth Home

The remarkable place that MacLean's has won for itself in the national and commercial life of the Dominion is apparent in the fact that—

In every city, town and village of 1,000 population and over, throughout English-speaking Canada, MacLean's reaches an average of every eighth home.

Manufacturers, Advertisers and Agency Men are invited to write for free copy of our new booklet "Paralleling the Purchasing Power."

1st and 15th of Every Month
MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"
10 cents a copy $2.00 a year

MINIMUM WAGES THREATENING B.C. LUMBER INDUSTRY

Thirty-seven Mills Make Protest to Provincial Government

VICTORIA.—Particularly in view of the fact that the prices prevailing in the lumbering industry in British Columbia are set by competition with American mills and also that production in the whole industry being larger than consumption, the margin of profit is unsatisfactorily narrow, the proposal of the British Columbia legislature to enforce a minimum wage of 40 cents an hour threatens to have a depressing effect on the lumber business of the province. Recently, a deputation of the lumbermen waited on the government and presented the case for the industry as opposed to the new law. The hearing was held behind closed doors but it is understood that the point was effectively made that the 40 cent minimum would mean an additional cost to 37 mills of $639,000. The statement on behalf of the manufacturers continued:

"A review of the records of this industry for the past year, (from the information that is compiled by the taxation department this additional burden. To put this in an even more concrete way we would point out to you that the production for the mills represented for the past year was 1,102,000,000 feet. The application of this act will therefore increase the productive costs of all of this lumber by 90 cents to $1 per thousand.

"This industry, as the government very well knows, is manufacturing lumber largely for interprovincial and foreign trade, and has no way of putting this extra charge on to the selling price of this product, thus passing the extra cost on to the consumer.

"The mills of B. C. are in direct competition with the producing area of Oregon and Washington, as well as the southern states of America, and in our domestic market, the production of Northern Saskatchewan, Northern Alberta, and the Eastern Canadian manufacturer, who are operating on a 10-hour day, and without any restrictions as to wages or hours that may be paid and worked.

Compared With Oregon

"It has been stated that the rate suggested by the board is approximately the rate being paid in Oregon and Washington, but the board has apparently not taken into consideration the fact that the increased duty on all kinds of logging and sawmill equipment, as well as supplies, ranges as high as 35 per cent., thus increasing the cost of producing lumber over Washington and Oregon. This becomes a fixed annual charge, and is in itself a serious burden on the industry, together with the fact that the mills located in Washington and Oregon have a very good home market and are thus enabled to market a much larger portion of their lumber at home than are the mills located in this part of British Columbia, which, as stated above, must look to markets that are at great distances as well as in foreign countries.

"The mills in the southern states, and they are a very large factor of competition in the Atlantic seaboard market, where British Columbia is forced to market a large part of its output, are operating 10 and in some cases 11 hours per day with common labor based on 15 to 17½ cents per hour.

Sell Now Without Profit

"We may say in supplying these foreign markets where we come into competition with the product of the districts mentioned above, under our present conditions there has been no profit, in fact losses have been sustained by a great many of the mills; this being the only outlet for the large production that is now being carried on, the mills have had to be content with securing from these markets even the low prices that have been prevailing."

Abolishing Orientals

The argument in favor of the minimum wage is that it will have the effect of eliminating the Orientals from the mills in favor of white labor. It is reasoned that, as the Orientals are the less efficient workers, they will naturally have to make way for whites on the higher wage basis. The lumbermen in their statement proposed a plan for eliminating the Orientals from their mills at the rate of 25 per cent. each year for the next four years. At present 2,400 Orientals are employed, representing 41½ per cent. of the total.

Greater Vancouver Building Permits 50% Over Last Year

VANCOUVER.—An increase of over 50 per cent., is shown in the value of building permits issued in Greater Vancouver for the first nine months of this year, as compared with the same period in 1925. To the end of September this year, the value of permits issued totalled $21,992,778, as compared with $14,223,271 in the corresponding months of last year.

Following is the tabulated report of totals in all municipalities from January 1st to September 30 this year, and 1925:

	1926	1925
City	$14,039,537	$ 6,573,033
Point Grey	4,740,850	4,357,800
South Vancouver	1,151,420	881,425
Burnaby	913,520	1,958,650
North Vancouver City	479,613	196,629
North Vancouver District	327,715	107,019
West Vancouver	340,123	148,715
Totals	$21,992,778	$14,223,271

A steady growth in business has caused the Royal Financial Corporation, of Vancouver, B. C., to move its offices and take up its new abode on Hastings St., West. E. B. McDermid is managing director.

BRITISH CAPITAL MAY GET CONTROL OF P.G.E. IN B.C.

Government Ready and Willing to Accept a Favorable Offer

From Our Own Correspondent.

VANCOUVER. — Financial interests on the coast would not be surprised if the Pacific Great Eastern Railway were to be sold in the near future by the Provincial government to British interests.

Representatives of powerful British capitalists are now in the province making a close investigation of the railroad's resources, with a view to making a bid. In fact, two separate groups have shown sufficient interest in the proposition to send out field men with a view to filing comprehensive reports with recommendations.

Whatever negotiations have been made for acquisition of the railway, the government maintains a studied silence, although it has not hesitated to admit that several interests have been looking into the project with a view to purchase. Nor has the government made any secret of its willingness—in fact, eagerness—to dispose of the road, which has already cost the province more than $60,000,000.

Government engineers have just brought in a report to the effect that it would cost about $4,000,000 to extend the line north from Quesnel to Prince George—a connection which is regarded by some authorities as imperative before the line can be put on a paying basis. Public opinion, however, seems opposed to making any further large capital expenditures on the road by the government at this time, and there is certain to be strong opposition to the proposed extension when the legislature meets this winter.

Some significance is attached to the recent visit of Lord Edgerton and the Earl of Clarendon, who made a point of touring the P.G.E. from one end to another. Lord Edgerton and several other representatives of the British nobility have extensive holdings in the Cariboo district adjacent to the P.G.E., and it is surmised that they may have used their offices in interesting capitalists to take over the road.

It is reported that one definite offer has already been made for the road since the government decided last year to sell the railroad under a subsidy plan, offering a large tract of land to the purchasers if they would extend it to the Peace River country. An important United States financial syndicate is known to be negotiating for the road. Both the C.P.R. and C.N.R. have been reported at various times to be interested, but nothing has recently been given out by them concerning their intentions.

QUEBEC AND ONTARIO IN ACCORD WITH CARILLON POWER SITE

(Continued from page 1)

the great inland waterways and the Dominion authorities naturally must look after the interests of navigation on the Ottawa River. Then, the Ontario border joins the Ottawa River at Point Fortune, directly opposite Carillon, P.Q. Thus, the governments of Ontario and Quebec are also directly interested in the scheme. Finally, there is the Shawinigan Water and Power Co. and the Ontario Hydro Electric Commission. So that, in the development of the power site, there are five separate interests and entities which must agree to, and combine upon, the plans for the development at that point. It is understood that to all intents all these interests are now in complete accord. That the Ontario Hydro and the Shawinigan interests are working together is an indication of the changed attitude towards private business of the new Hydro administration.

Due to the close association which exists between the Shawinigan Water and Power Co. and Montreal "Power" through their joint ownership of the United Securities and through this holding company, the ownership of Montreal Tramways and other companies, many investors believe that Montreal "Power" will also be interested in the projected Carillon development. Possibly too, the Ontario Hydro Electric Com. would be interested in the project, although the latter's interest will probably be through the purchaser of a block of power under long term contract, or possibly through part ownership of the development—although the latter is not considered probable.

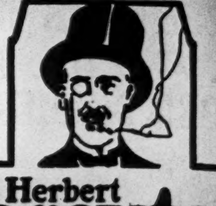
The Power Available

The E. A. Roberts interests which, until lately, owned the site, claimed that an ultimate development of 400,000 horsepower was possible, but under present conditions many engineers believe that the site would not produce much more than 200,000 h.p. Perhaps, the regulation of the flow of the river made possible by the proposed development might allow the installation of turbines with a maximum capacity of 300,000 h.p. on a 60 to 80 per cent. load factor basis. Further development at the site would be possible through the regulation of the water by storage dams at some or at one of the headwaters of the river.

Though no official declaration as to the terms of the contract to be signed between the Ontario and Quebec Governments jointly and the National Hydro Company has been given out, further information is that they are slightly different from first expectations.

For instance, instead of paying a rental of $20,000 per year to the Quebec Government, the lessee will pay $10,000 to each province. An increase in the royalty from 50 cents to 60 cents per horsepower is also provided for in the final draft. In regard to the length of the lease, it appears to be for a period of 75 years, and the clause forbidding exportation to the United States has been included. This clause even affects the power after it has reached Ontario, both provinces agreeing on this point.

While the two provinces are entitled to a share of 50 per cent. each on the power developed, it is also provided that, if judged advantageous for either of the provinces and agreeable to them, they may get more than their allotted share.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For your Pipe Herbert Tareyton London Smoking Mixture

An output value greater than any since 1920, was recorded by the monumental and ornamental stone industry in Canada during 1925. Production in this industry last year amounted in value to $5,355,997, of which sum materials represented $1,964,817 and the value added by the finishing processes $3,391,180.

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BERTRAM R. BROOKER, *Editor of Marketing*

on these questions—

Does Advertising Increase the Toll of the Middleman?
Does it Waste Raw Materials?
Does it Lessen Buying-Power?

SALES and advertising executives throughout Canada have been more than usually stirred by the debate on these important questions carried on in the last few issues of MARKETING.

Not only men engaged in the selling end of business, but the men who have to decide on matters of business policy are interesting themselves in the opposing views expressed in the Dawson-Brooker debate, and in the numerous letters from readers following in its wake.

Forthcoming issues will be unusually valuable owing to the publication of a series of articles by Frank E. Mutton, former managing director of International Business Machines Ltd., and now in business in Toronto as a Sales Economist.

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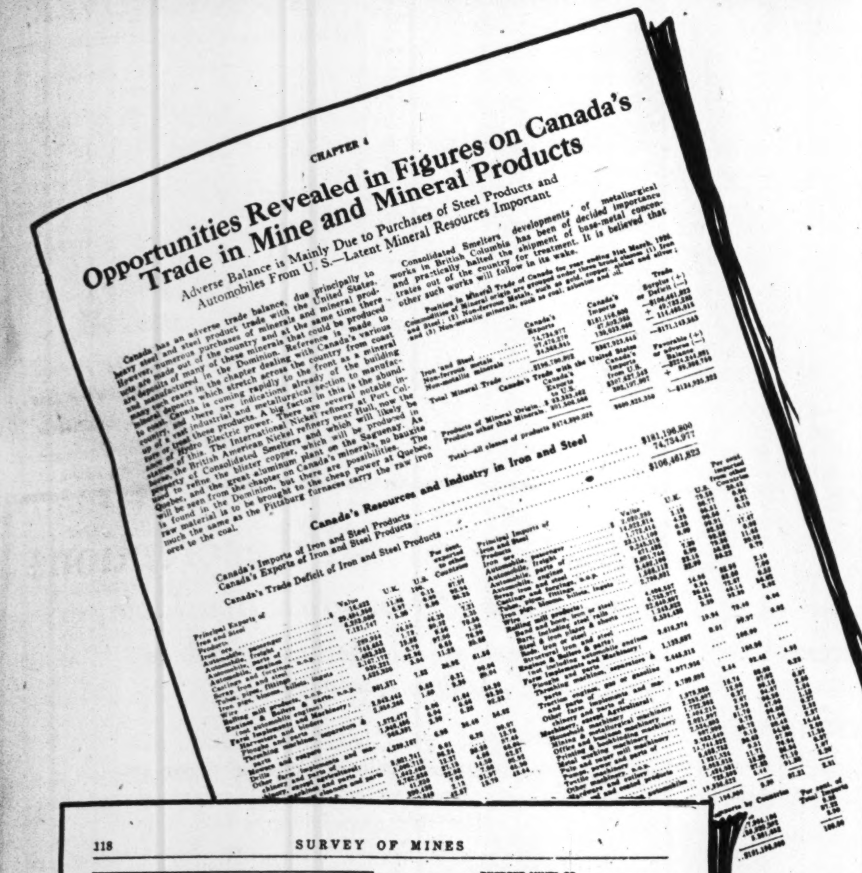
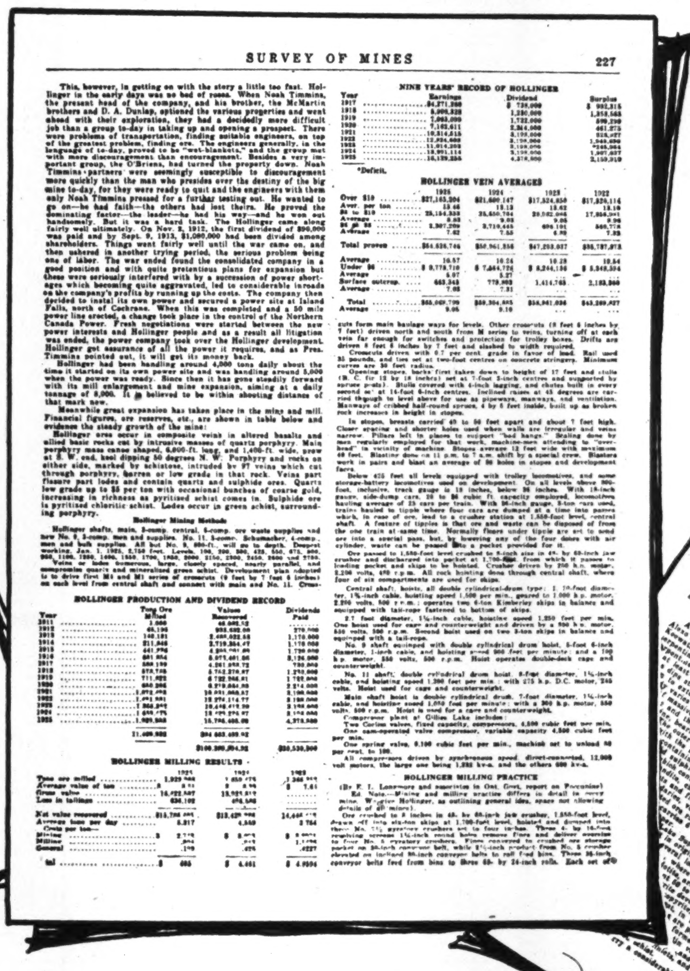
Banque Canadienne National, Montreal, showing Dominion Battleship Linoleum floor.

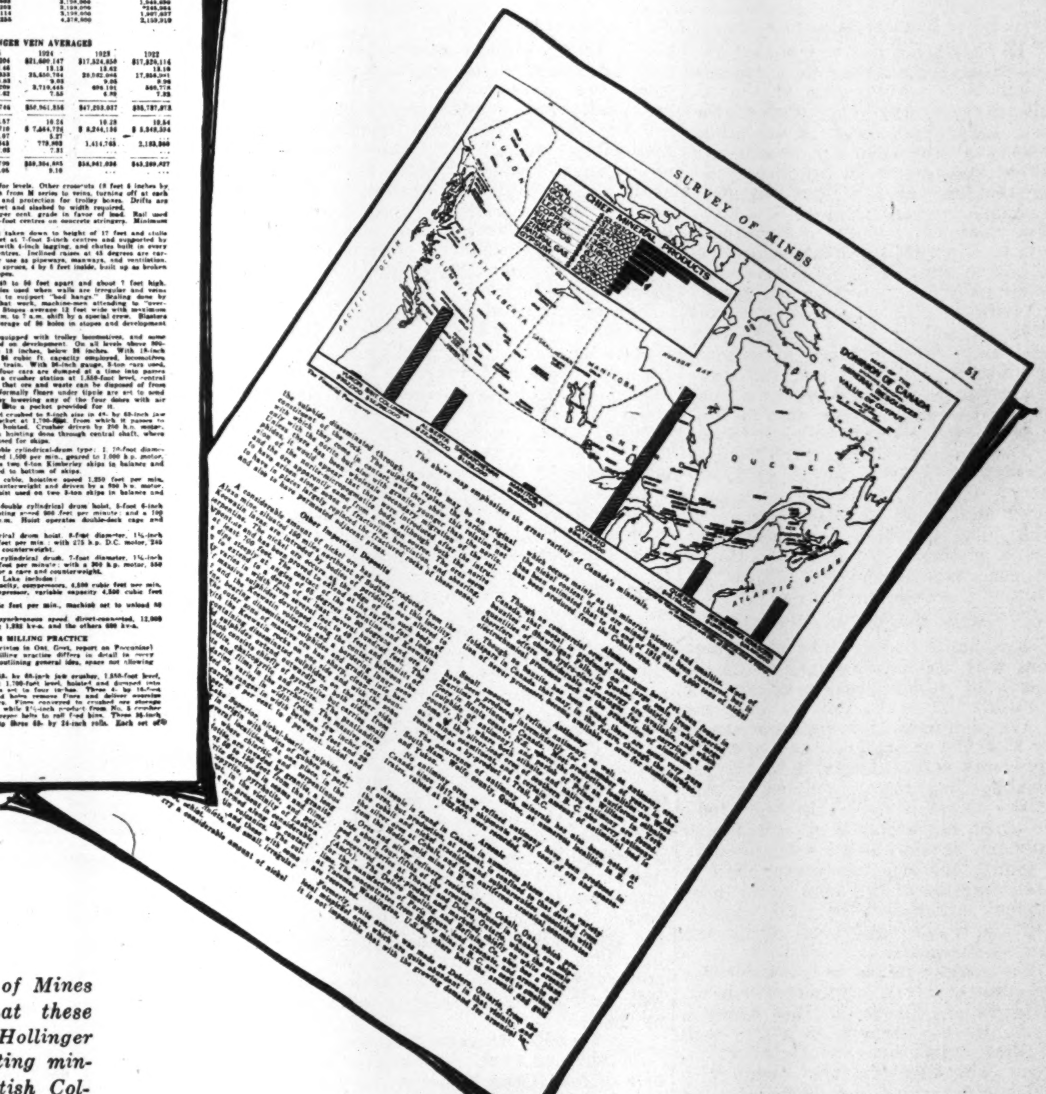
How Much of Your Overhead is UNDERFOOT?

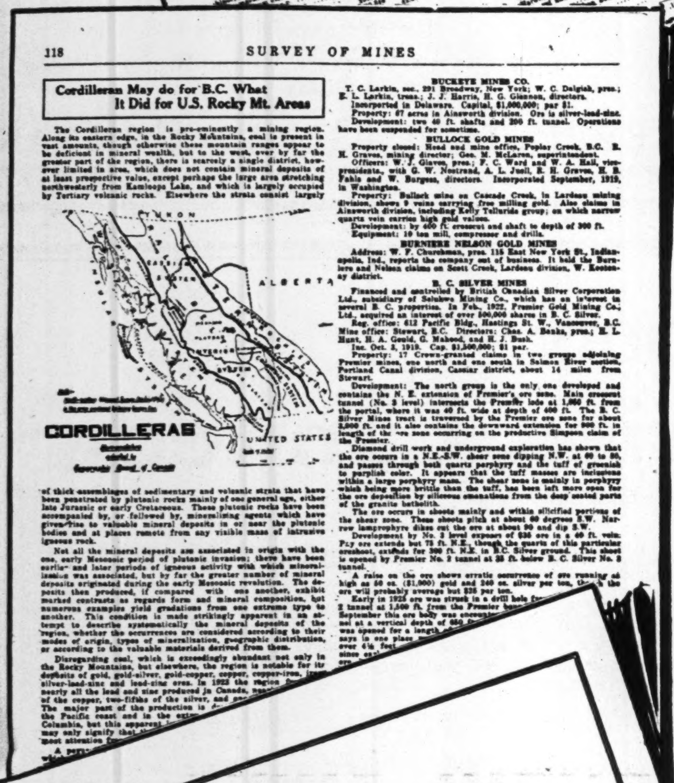
Typical Pages From The Financial Post Survey of Mines


CHAPTER 4

Opportunities Revealed in Figures on Canada's Trade in Mine and Mineral Products


SURVEY OF MINES 227




118 SURVEY OF MINES

Cordilleran May do for B.C. What It Did for U.S. Rocky Mt. Areas

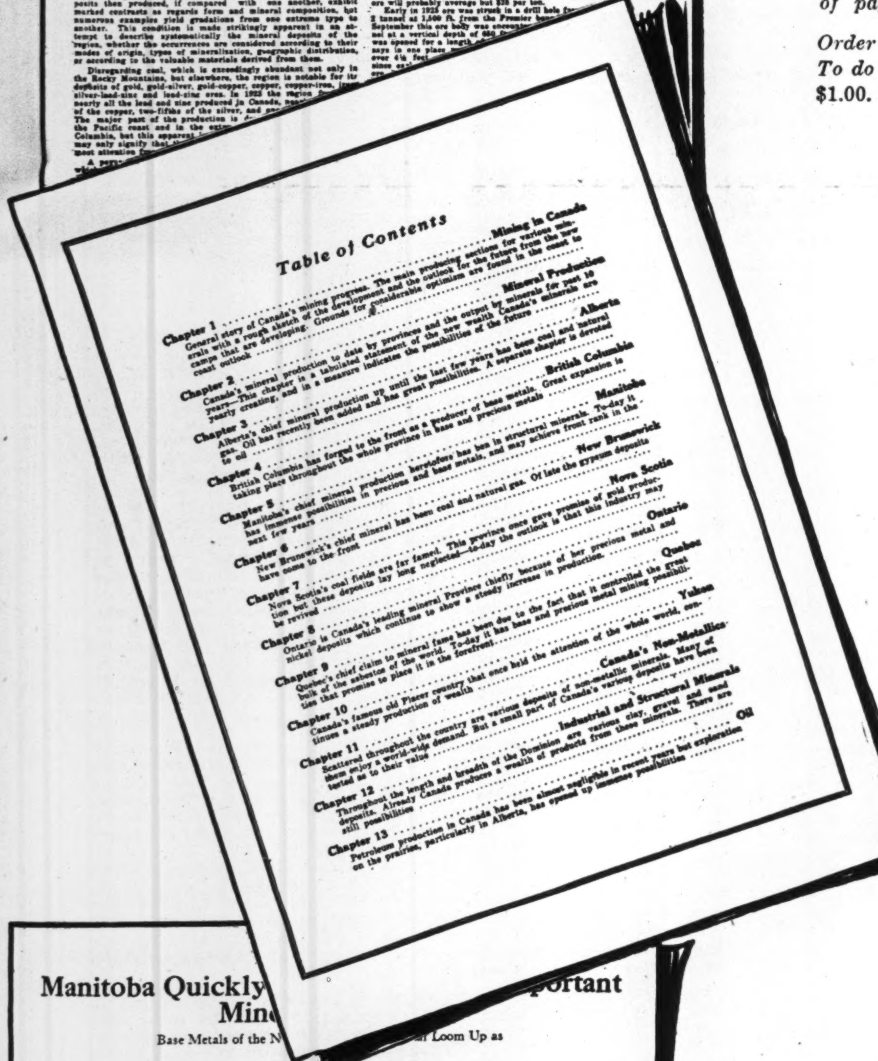
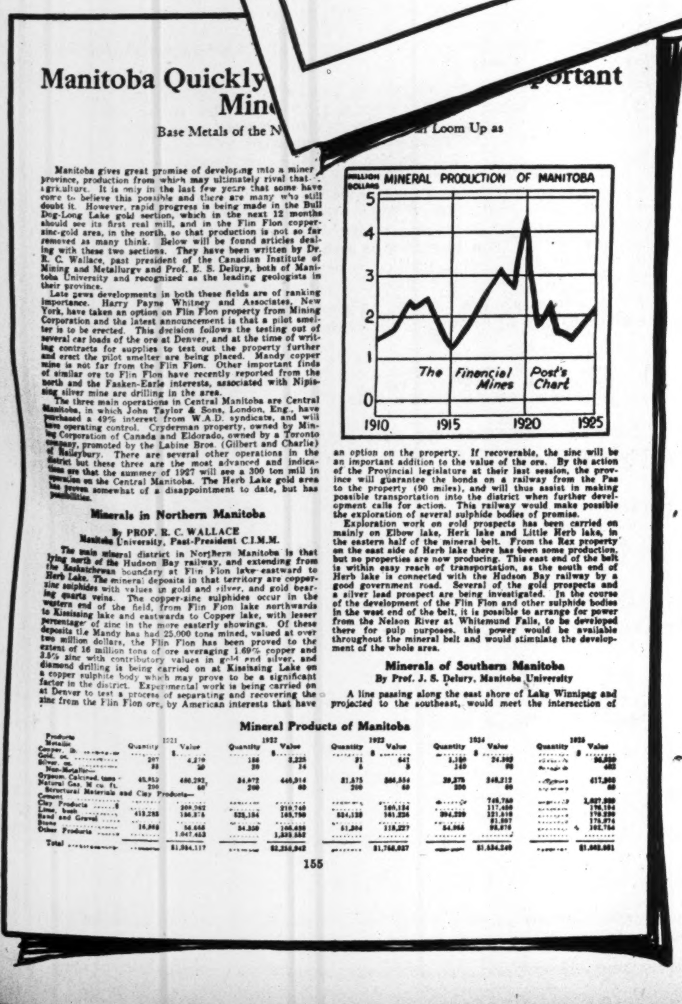


Table of Contents


Manitoba Quickly ... portant Min...

Six pages from The Financial Post Survey of Mines are reproduced here. It is our hope that these pages—one giving a part of the review on Hollinger Mine, one the table of contents, one illustrating mineral production, one showing review of British Columbia mines, one treating of the Manitoba field, one expounding opportunities for manufacturers by reason of the non-metallic situation—will show the wide scope of this book; will make clear that there are hundreds of pages—definite—interesting—informative.

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Oct. 8

Big Difference Between Real Capital and Nominal Capital

A Timely Discussion of the Practice of Handing Out Big Blocks of Stock for Small Assets

By FRASER RANEY, M.A.; LL.B., Barrister-at-law, Toronto.

IT IS a well established law that the nominal capital of a company shall be a reality; that is, that it shall represent the real value of the assets of the company in cash and property at the time the shares are allotted and issued. In practice, however, this law has been openly ignored or evaded for some time.

For example, consider a hypothetical case. George Smith has a brokerage business which he has been carrying on with a fair degree of success for three or four years. He contemplates expanding his business, perhaps taking over a large underwriting contract, and decides to incorporate a company to evade personal liability and to get in some new capital. He, therefore, gets his solicitor to apply for incorporation for George Smith, Ltd., with a capital of $200,000, of which $100,000 is to be preferred stock and $100,000 common stock. The provincial secretary issues a charter as requested. He is not concerned with the nature or value of the company's assets.

Sells Assets for Stock

Then Smith enters into an agreement with the new company, the directors of which are clerks in his solicitor's office, to sell his business to the company for paid-up stock, say $100,000 of preferred stock, which represents actual assets, accounts receivable, cash, etc., at full value, and all the common stock, that is, $100,000 which represents good will. Smith could not possibly sell his business as a going concern for more than a small fraction of this sum to an independent purchaser, but the agreement is readily approved of by the dummy directors.

The assets taken in payment for the common stock are known to be of little value, but so is the common stock. On the other hand it may well be that Smith has some connection, some standing in the community which gives some real basis of good will, although $100,000 in money would be entirely disproportionate to the value of the good will.

How He Gets His Capital

Now Smith wants to get in capital; he also wants to keep control of the company, and this method of organization lends itself admirably to his purposes. The new company's directors at his solicitor's request pass a by-law providing that the common shares shall have the exclusive right to vote, except in case default is made in payment of dividends on the preference stock. The company's charters also provides for redemption of the preference shares at an advance of five or ten points within, say, ten years. Then Smith has the company agree to employ him as general manager at an annual salary equal to what he has been drawing out of his business, or perhaps more; has himself, his wife and clerk elected directors, and takes over the company from his solicitor and proceeds to get in the needed capital.

Gives a Bonus

To do this he must sell his preference stock, on a plan sufficiently attractive to offer a generous return on the money. By selling one share of treasury preference stock, carrying a seven per cent. dividend for one hundred dollars, and giving to the purchaser a share of common stock for every share of preference stock purchased, he offers a sure return on the investment together with a speculative chance to share in the profits of the business if it succeeds. Smith has counted on giving away a large proportion of the common stock issued to him, but he believes that after he has obtained some working capital and paid a dividend or so he can sell two preference shares with a bonus of one common, perhaps three shares with a bonus of one, and that eventually he will retain at least 51 per cent. of the common stock, sufficient to control the company, fix his own salary, and determine what dividends, if any, shall be paid.

Real Capital and Nominal Capital

This method of floating a company with, of course, minor variations, has been widely followed in Ontario. In very few modern company flotations in Ontario does the actual capital of the company equal or nearly equal the nominal capital stock allotted and issued at the time of the flotation. Investors, who are familiar with stock transactions understand the real situation. Solicitors understand what the requirements, legal and practical, of successful incorporation are, but the Provincial and Dominion authorities, vested with the control of corporations, continue to function as if the method of flotation above outlined did not exist, and the courts have wavered between the situation and what the statutes contemplate according to mental leaning of the judge on the bench.

For example, in the case of Hood & Caldwell, which came before the Ontario Court of Appeal, and the Supreme Court of Canada, Caldwell owned an orchard business and decided to incorporate a company. His tangible assets, according to the evidence, were not worth more than $1,000. He sold these assets, together with the goodwill of his business, to the company for $50,000 of paid-up common stock, and agreed with the company to use $20,000 of this stock to bonus the sale of preference shares. Caldwell and the company succeeded in selling $36,200 of preference shares, and with this new money, a profitable business was built up. In determining whether the stock was issued to Caldwell for valuable consideration or not, the majority of the Court of Appeal seemed largely influenced by the fact that the company did eventually succeed. The subsequent dividends were taken to indicate the existence of a valuable good will "the foundation had been laid for a profitable business," notwithstanding the fact that no profits of any account had ever been made by Caldwell before incorporation. In the result, the transaction was upheld, although largely on the ground that the directors who brought the action had lost their rights by their conduct and by delay.

Toronto Finance Division

In another case, the Court arrived at a different conclusion on very similar facts, where the action was brought in the name of the company. B controlled a company known as Banking Service Corporation, Ltd., which he had formed for the purpose of financing and providing subsidiary companies in different localities to deal in second mortgages. The Banking Service Corporation caused a charter to be procured for one such company, known as the Toronto Finance Corporation, Limited, with an authorized capital of $2,000,000 divided into 200,000 shares of $10 each. Of these 100,000 shares were created preference shares and practically all the common shares were issued to Banking Service Corporation fully paid up, in consideration of the latter corporation agreeing to procure for the new company its necessary working capital, to give it the benefit of its system and experience in the proposed business and to form the company over to its directors as a paying concern. The underwriting company did not enter into any agreement, as in Hood vs. Caldwell, to use any stated amount of the common shares as bonuses to purchasers of preference stock, nor did it stand in any fiduciary relation to the subsidiary company. Action was brought by the subsidiary company for a declaratory judgment to determine the ownership of its unissued common shares, and to cancel a certificate issued to the underwriting company for shares remaining to its credit under the agreement above referred to after making provision for all bonuses.

Justice Rose who wrote the judgment at the trial, reached the conclusion that although the transaction, whereby the common shares were issued to the underwriting company as fully paid up, was undoubtedly bona fide, and the sources rendered by the underwriting company were real services, yet it was apparent that both parties to the transaction did not fix the consideration for those services having regard to the par value of the stock issued therefor. "The parties to the action entered into the transaction believing and acting on the assumption that because the unissued stock had no actual intrinsic value, it might be issued for a consideration less than its normal value." Justice Ferguson reading the judgment of the Court of Appeal says, "it was clearly established that in making the agreement attacked, all parties thereto acted on the erroneous assumption that the par value of the shares was not an element to be considered in fixing the consideration which the plaintiff company should receive for the shares."

Thus we have a declaration of the law which is considerably at variance with the practice followed during recent years in company flotations. The legal profession generally will, no doubt, heartily approve of the position taken by the courts, as it is designed to put a check upon the loose methods at present in use. On the other hand company promoters must have two elements in order to sell the stock they are putting out, a fairly secure return and stable value, represented by preference shares, and a speculative return and speculative value, represented by common shares, and so long as any intangible assets can be brought in which the court might conclude, have a real although speculative value, these assets will be capitalized at a figure in common shares sufficient to permit the promoters to bonus preference shares as they deem necessary.

*50 O.L.R. 387; (1923) S.C.R. 488.
†57 O.L.R. 514; 58 O.L.R. Toronto Finance Corp. vs. Banking Service Corp.

WOULD STANDARDIZE CORPORATE RETURNS.

Definite Proceedings in Future Depreciation and Maintenance Audits Sought With Taxpayers

WASHINGTON.—Internal Revenue Bureau proposes standardization of corporation returns covering items of depreciation and maintainence in certain industries through co-operation of taxpayers.

Commissioner of Internal Revenue has authorized the initiation of a study of depreciation and maintenance charges with a view to the adoption of a definite procedure in the future audit of tax-returns, but with no intention of reopening depreciation questions settled in any audits already completed. This study will be undertaken solely upon a basis of the voluntary co-operation of taxpayers with the Bureau of Internal Revenue in reaching mutually beneficial conclusions.

The commissioner and the taxpayers in certain industries have agreed upon fixed rates of depreciation as reasonable for major items of plant and equipment used in those particular industries, and the preparation and audit of the returns of such taxpayers has been greatly simplified and expedited by these agreements. The object of the present study is to extend similar agreements to the taxpayers of other industries as rapidly and completely as possible. It is therefore proposed to make a statistical study of the related subjects of depreciation, maintenance, and obsolescence, industry by industry; to tabulate the results of such study; to formulate a tentative policy and determine tentative rates for depreciation or for combined depreciation and maintenance charges; to refer these tentative rates and policies to the taxpayers of each industry for comment, suggestions for improvement, and finally to adopt and publish such rates as the commissioner and the majority of the taxpayers of an industry have mutually approved as reasonable.

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(Incorporated Under the Ontario Companies Act)

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CAPITALIZATION

	Authorized	Outstanding
7% Cumulative Redeemable Sinking Fund Preferred Shares	$1,500,000	$750,000
Common Stock, no par	50,000 shares	26,000 shares

DIRECTORS
(To Be Elected)

D. C. FLATT, President, President Hamilton Dairy, Ltd., Hamilton, Ontario.
JOHN I. FLATT, Vice-President and General Manager, General Manager Hamilton Dairy, Ltd., Hamilton, Ontario.
D. Z. GIBSON, President Caledonia Dairy, Ltd., Caledonia, Ontario.
GEORGE H. BETHUNE, President Wentworth Dairies, Ltd., Ryckman's Corners, Ontario.
R. O. DENMAN, President Denman & Co., Ltd., Hamilton.

The Company Hamilton Dairies, Limited, is acquiring six thoroughly modern milk, butter and ice cream producing plants, each with a well-established business in its own specialized line. The amalgamating companies are as follows: Hamilton Dairy, Limited, the Wentworth Dairy Co., Limited, the Cloverdale Creamery, Limited, Bonnie Bank Dairy, Hamilton Ice Cream, Limited, Caledonia Dairy, Limited.

The amalgamating companies have been engaged in the business of supplying milk and dairy products to the City of Hamilton and vicinity since 1915. The several businesses have grown from small beginnings to such an extent that the new Company will be by far the largest concern of its kind in Western Ontario, showing gross sales in 1923 of $1,477,452, in 1924 of $1,591,978, in 1925 of $2,000,610, and $1,041,110 for the first six months of 1926. The Company's plants are considered by experts as models of perfection, as they embody the most modern methods in efficient scientific and sanitary handling of dairy products.

The Company will engage in the gathering and distribution of milk and the manufacture of ice cream, butter and other dairy products. It is confidently anticipated that the consolidation of the several businesses will result in substantial economies in operation. Customers now being supplied with milk by the individual companies are largely resident in Hamilton and vicinity, while the butter and ice cream businesses extend throughout the Province of Ontario, with butter shipments being regularly made to points in the British Isles. Based on the volume of business now maintained by the separate organizations, the daily output of milk should average 20,000 quarts, and the daily output of butter 10,000 pounds.

The various individual enterprises, of which this Company is a consolidation, formerly had separate pasteurizing and bottling plants in various parts of the city and county, and also had considerable overlapping in their collecting and delivery services. By concentrating all pasteurizing and bottling activities, butter-making and ice cream manufacturing in centralized plants the Company will effect much greater economy and efficiency of operation, at the same time improving its product and its service to customers. In addition the Company will establish a most modern chemical laboratory for tests and experiments, and an infirmary for the inspection and care of the health of employees who handle the public's milk supply.

Earnings After providing for all operating expenses and making proper allowance for depreciation and provision for Federal income taxes, but excluding interest charges, the total consolidated net earnings of the amalgamated companies, based on average net earnings for the past year and a half, and having regard to the increased efficiency and reduction of operating expenses, made possible through the consolidation now being effected, should be $167,849.08, or over three times dividend requirements on the preference shares, and at the rate of $4.43 per share on the no-par value common stock.

Sinking Fund Provisions The charter of the Company provides for a Reserve Fund to be used as a stabilizing fund for the prompt payment of preferential dividends and as a Sinking Fund for the redemption of Preference Shares. Commencing with the third fiscal year, one-fifth of the net annual earnings of the Company, after the payment of preferential dividends, must be placed in this fund until all the Preference Shares are redeemed. No mortgages or bonds or further preference shares can be created without the consent and approval of the holders of at least seventy-five per centum in value of the preference shares of the Company then outstanding, present or represented by proxy at a meeting specially called for the purpose.

Management With Mr. D. C Flatt to be elected President and Mr. John I. Flatt as General Manager, and with the continued co-operation of the heads of the various amalgamating companies: Mr. George H. Bethune, President, and Mr. T. G Brown, General Manager, of the Wentworth Dairy Co., Limited; Mr. M. D Warner, President and General Manager of the Cloverdale Creamery, Limited, and Hamilton Ice Cream, Limited; Mr. C. H. Smith, proprietor and General Manager of Bonnie Bank Dairy; and Mr. D. Z. Gibson, President, and Mr. C. Christensen, General Manager, of Caledonia Dairy, Limited, the new company will be in the experienced hands of the same men who have so successfully developed the dairy business in Hamilton. These men have subscribed substantially to the common stock of the new company.

Inasmuch as its products are so essential to life and good health, the dairy industry might be termed a utility of the most substantial type. It is most stable and free from violent fluctuations. A dairy and its distributing organization operates 365 days in the year. There are no holidays, as the stoppage of the service for a single day would cause widespread suffering. The business carries no large inventories, practically the entire output being sold and consumed each day. This eliminates the question of inventory shrinkage and tends to stabilize earnings. Another strong feature is that the business is practically on a cash basis, for which reason the dairy, unlike many other businesses, does not require a large working capital.

We offer the above shares, when, as and if issued, and received by us, subject to the approval of all legal details by our Counsel.

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